THE FINANCIAL POST
OF CANADA

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GOVERNMENT MUST ACT AT ONCE TO ADJUST INDUSTRIAL RELATIONS BETWEEN CANADA AND THE U.S.

American Embargo on Raw Materials Works Hardships in This Country For Many Concerns.

CANADIAN MANUFACTURERS FEELING EFFECT OF EMBARGO

Official Statement From Ottawa Shows That Munitions Orders Will Continue To Come From Britain At Rate Of $30,000,000 A Month—The Problems of Provincial Distribution.

SINCE the United States entered the war a situation has been created with reference to trade relations between Canada and that country which threatens to work serious injury to Canadian industry. The embargo placed by the United States Government on all raw materials has seriously hampered many manufacturers in Canada and there is a very grave possibility that the effect will be felt in more directions in future. If the scope of the embargo is widened—and there is a well-founded fear that this may come—the business situation here may be adversely affected.

"The solution is the formation of a board or committee at Ottawa to deal with the American Priority Board," said S. R. Parsons, president of the Canadian Manufacturers' Association, to THE FINANCIAL POST. "If such a board existed it would be possible to take up all matters direct with the Priority Board, which has full control of the movement of raw materials from the United States and difficulties could be adjusted with an eye to the mutual interests of the two countries."

Canadian Industry is Hampered.

The embargo on raw materials was placed by the United States Government to conserve the supplies needed there for the filling of war orders. Washington has practically conscripted American industry and is not only fixing prices of materials whenever it is deemed necessary but is demanding what is needed in the way of manufactured products and raw materials for the filling of war requirements. The American manufacturer must place war needs before his own individual interests. In many lines there is not enough material in sight to supply the Government and to leave a sufficient margin for the manufacturer as well. The embargo was placed to relieve the situation there as much as possible.

Canadian manufacturers who are engaged in the production of shells and war supplies for the United States are being protected, of course. Whatever they need in the way of raw material is being shipped to them. Manufacturers who need materials from the United States for their own purposes are suffering, however. Some of them claim that the embargo is working a double hardship on them in that it makes it impossible for them to supply the trade and they see American competitors shipping their goods across the line and monopolizing the market. It will readily be seen that, if this condition were widespread, the injury to Canadian industry would be very deep. American goods would oust Canadian lines completely from the Canadian market and the Canadian factories would inevitably have to close down.

That this is the way it is working out in some cases cannot be denied. Specific cases have come to light where this has occurred. It seems probable, however, that American industry is suffering nearly as much as we are. The Government is commandeering so large a share of supplies in practically all lines that the American manufacturer cannot supply his home market. He is not likely, therefore, to have any surplus with which to take advantage of the situation on this side of the line.

There is a grave fear also that the workings of the embargo may be extended. Suppose that it is widened to take in coal? The effect on Canadian industry would be instantaneous and paralyzing. Factories would close down, unemployment would ensue. In this connection may be emphasized the importance of checking the suggestion emanating from Hon. Adam Beck, to stop sending Niagara power across the line. Such a measure might bring about retaliatory measures. In any event it would mean that American plants now running on Canadian power would have to fall back on coal and in that way bring closer the grim possibility of an American embargo on coal.

Government Action Needed.

The situation is regarded as so serious that the Canadian Manufacturers' Association has been dealing with it. A meeting of the council was held at Toronto on Thursday, at which the matter was discussed at length.

A committee is dealing with the matter, but a definite statement as to the situation cannot be made as yet. It is felt, however, that the Government should take the matter in hand. At present it seems impossible to get any action at Ottawa owing to the pressure of election matters. As soon as the election is over, pressure will undoubtedly be brought to bear on the Government placed in power to have a Priority Board appointed. All points where conflict of interests arise could be referred to the Board for adjustment by negotiation with the United States Board.

WAR ORDERS FROM BRITAIN IN STEADY VOLUME.

THE munitions situation is such that the utmost activity will prevail throughout 1918. New English orders that are coming through are renewals of orders for 4.5 shells and for shrapnel. An authoritative statement made at Ottawa to THE FINANCIAL POST is to the effect that all existing British orders will be renewed. The limit of expenditure is placed at about $30,000,000 a month—this figure to cover all Imperial expenditures, covering shells, shipbuilding, etc.

Charges have been heard in various quarters as to discrimination in the matter of the placing of war orders. Jealousy in the matter of provincial totals has borne fruit in rumors of a more or less sensational nature. Charges of discrimination in favor of Ontario have been heard in Quebec. Ontario in turn has heard that, inasmuch as there is less shortage of help in Quebec, the bulk of the new business in munitions is to go to that province.

THE FINANCIAL POST has secured a denial of any such intention from the most authoritative source. Official figures were supplied to THE FINANCIAL POST to show that there had been absolutely no discrimination. Ontario has supplied 21,000,000 shrapnel shells to Quebec's 7,000,000 since the start of the war. In 4.5 Ontario has supplied 3 shells to Quebec's 4; in 60-pounders Ontario has doubled the total from Quebec; in 8-inch Ontario has supplied 2 to Quebec's 1; in 6-inch and 9.2-inch the proportion has been 2 to 1 in favor of Quebec. On the other hand, Ontario has the aeroplane factory.

A RIGHT, NOT A CHARITY.

THE Halifax catastrophe should be regarded as a war loss, and all Canada, as represented by the Dominion Government, should at once assume the entire responsibility for rebuilding the homes and offices, and putting every man, woman and child in at least as good and comfortable position as they were before; and in addition should provide for all injured and dependents.

This great responsibility must not be left to municipal grants or private charity already overtaxed as at present proposed.

Any other plan than national responsibility would fall short of doing full justice to the people of Halifax.

SHERWIN-WILLLIAMS.

Net Earnings for the Year Better Than Last Report.

The annual meeting of the Sherwin-Williams Company will be held next week, and THE FINANCIAL POST understands that the earnings will be shown to be in the neighborhood of $900,000, or slightly better than the splendid figures of the last statement. Not only is there good business in Canada, but the Australian and English plants are doing well.

However, despite the splendid showing which will be made, it is doubtful if a dividend policy will be adopted at this time.

MONTREAL MAY AGAIN CONTEST "RAILS" CONTROL

Eastern Shareholders Interested in Toronto Railway Policy.

FAVOR LOWER. DIVIDEND

Statement That Effort Will be Made to Change Directorate—No Evidence as to Faction's Strength.

Last week's forecast of THE FINANCIAL POST as to the payment of the regular dividend on the stock of the Toronto Railway Company was borne out during the week by the regular announcement of a 2 per cent. payment. This had the effect of setting at rest for the time being reports that the rate would be cut. However, the question of a reduction may only be deferred. The future policy of the board is not intimated at this time. On the one hand, it is being pointed out that the announcement of Read & Co., of New York, of a cut to 4 per cent. may refer to next year, that a reduction is warranted by the rising costs of operation, and that such a course would have a generally favorable effect in view of the financial position. On the other hand, attention is called to the fact that at the last annual meeting Sir William Mackenzie, in referring to the earnings of the subsidiaries, intimated that there would be sufficient revenue from other than railway sources to maintain the dividend even after the expiration of the franchise.

In connection with the policy of the present directorate it will be recalled that at the last annual meeting there was a strong contingent from Montreal, representing Eastern holders of the stock, present, and that there were indications of a contest for control, which culminated without an open issue, but with the addition of the names of two Eastern members, made in such a way as to indicate a compromise. At that time it appeared that the air had been considerably cleared, but word comes from Montreal which indicates that there have been clouds gathering in the interval, and that there is likely to be another storm of protest at the next annual meeting. The following is from our Montreal correspondent:

MONTREAL.—Interests which were last year largely concerned in the plan to get Montreal support for more representatives of Eastern interests on the board of the Toronto Railway Company are again setting the stage for a similar effort this year. Also it is stated that the effort will not be met with any such compromise as that made last year, but will not stop at anything short of a shift of balance of power. THE FINANCIAL POST is informed that it was not the intention a year ago to oust the present Toronto members, who are in control of the situation, but that the next campaign will not be satisfied with a "balancing up," but will rather demand an "un-balancing" of the present control.

THE FINANCIAL POST has been informed that the aggressive Montreal faction referred to will favor a course of reducing the dividend to 6 per cent. Further, some of its members are evidently skeptical as to the value of the company's investments in power and radial companies, about which there is so much mystery, and think that Montreal interests made a mistake when they allowed the railway to get tied up in this manner.

How far this movement may spread, and how far it refers to the efforts of a dissatisfied few, remains to be seen.

FIELD CROPS TOTAL OVER $1,089,000,000

Singular Accuracy of "The Financial Post's" September Estimate.

LIVESTOCK ON SOUND BASIS

Guelph and Regina Shows Big Successes—Chicago Honors Canadian Sheep—Fall Ploughing 70 Per Cent. of 1916.

By F. M. CHAPMAN,
Editor, "Farmer's Magazine."

During the past week, the Census and Statistics Bureau at Ottawa has estimated the total values of the 1917 field crops in Canada at $1,089,000,000. This follows singularly close to our estimates published in THE FINANCIAL POST on September 22nd. Our total after itemizing the crops was $1,063,600,000 with the appended statement that it was quite possible that $1,100,000,000 was within the mark. The U.S. similar total values will appear on Tuesday next from Washington.

Canada's high valuations are possible because of the prevailing high prices for every item of farm production. They are encouraging indeed and mislead only where relative buying powers are not considered. Naturally the mind turns to 1918 production.

Fall ploughing has fallen down considerably in Ontario and the East. The early freeze-up has stopped the plows that were hastening to offset the delayed harvest work. The Dominion estimates for the whole of Canada show only 53 per cent. of the land intended for 1918 crops ploughed by October 31. Up to November 20, when the freeze came the percentage will have increased probably to 70. Manitoba is slightly behind; Saskatchewan and Alberta are in far better shape than in the preceding year. The Ontario Department of Agriculture issues this week the statement that 70 per cent. is the estimate of the country. This is doubtless the highest to be looked for.

The livestock situation is bright. High prices, plenty of roughage and millfeeds, a good store of ensilage in most sections, with a big crop of roots, ensure a satisfactory feeding season, although the cold weather has forced stable feeding fully two weeks ahead of average years. The quality of cattle, horses, milk cows, sheep and swine as exhibited at the winter fairs at Guelph and Regina, mark well the farmers' and breeders' preparations for big business ahead. The types of animals are such as to ensure a big post-war demand for Canadian breeding stock. Canadian winnings at the International in Chicago this week and the employment by Canadian judges of Clydesdales horses and shorthorn cattle all point to the future importance of Canada's livestock.

Dairy Production Falls Off.

A serious side of the production situation is the falling off in dairy production. The high prices for meat, with the allurement of less arduous toil as is the case in meat production, with the serious labor shortage, is having its sure effect on the country. The Ontario weekly report says:

"Milk production is falling off considerably, and some dairymen are said to be disposing of more cows than is wise. Farmers in the London district are complaining that the cost of producing milk is now considerably greater than the price offered at the cheese factories, even allowing for the value of the whey returned for hog feeding.

"The unrest among farmers caused by some of the decisions by military tribunals in rural sections is settling. The assurance of the Minister of Militia that genuine farm help will not be taken has given a new aspect to the rural labor question. This, however, is not going to meet the whole labor situation, as many farms will be without much needed help even though no more of the occupants are taken for military purposes."

COST OF THE WAR.

Expenses Up to End of Present Winter Total $145,000,000,000.

F. W. Hirst, former editor of the London *Economist*, figures the cost of the war at $145,000,000,000, assuming that it comes to an end this winter. He estimated that it will cost the various countries, including demobilization expenses and restoration of currencies, as follows:

Gt. Britain and colonies	$ 30,000,000,000
Germany	30,000,000,000
Russia	27,500,000,000
France	25,000,000,000
Austria-Hungary	12,500,000,000
United States	12,500,000,000
Italy	7,500,000,000
Total	$145,000,000,000

EMBARGO MAY HAVE EFFECT ON BUSINESS

Need For Immediate Action on the Part of the Government.

THE RAILROAD MENACE

Crisis in Regard to Transportation in the States Apparently Fails to Impress Railway Commission.

The most important direct influence at work in relation to Canadian business—and particularly manufacturing—to-day is undoubtedly the embargo which has been raised by the United States against exports of certain raw materials and also some manufactured products. The situation is reviewed in another column showing the uncertainty which exists and the lack of effective action at Ottawa where for the time being politics instead of business appear to be the order of the day. The need of some administrative or executive body to act for the nation in concert with the American priority board is emphatically evident. There appears to be a question as to whether Canada is being discriminated against or is merely receiving the same treatment as accorded to American industries in order to insure materials for the manufacture of war supplies. However, this is a matter which might be quickly straightened out with co-operation between Washington and Ottawa.

Apart from this there appears to be a period of activity ahead. If raw materials can be secured there are plenty of orders in the majority of lines and although the further drain upon labor as the result of conscription is of course being felt adjustments are being made in a fairly satisfactory manner considering all the circumstances.

The Victory Loan is now largely a matter of history but the influence of this huge sum for governmental purposes should be felt throughout the country for some time to come. It with the financing arranged in the United States will do much to sustain activity in munitions and to facilitate the movement of our agricultural products to England and the Allies.

One very important factor in the situation, and one to which there does not appear to be given the attention which it deserves, is the question of railway rates. The Railway Commission still maintains silence — and may be expected to do so until after the election at least. At the same time the railroads are struggling to make ends meet and are not succeeding very well, with the exception of the Canadian Pacific.

In the United States it has been recognized that the roads are facing a crisis and that some action must be taken but in Canada the government continues to give the carriers the same treatment which has brought the American roads to their present conditions without evident recognition of the fact that a very important factor in the nation's machinery is being menaced.

So far as general business is concerned there is not much change. Demand continues good with the sustained buying power of the people but there can be no doubt but that the Victory Loan has had the effect of teaching thrift and that this will be reflected in more careful spending.

MAY NOT LIST VICTORY BONDS UNTIL JANUARY

Brokers Would Like Finance Minister to Back Par or 1% Discount.

WILL HELP BOND MARKET

"Bond Buying Habit Will Grow"—Industrial Companies May Have to Unload by Spring—Majority Will Hold.

With returns still coming in daily, the Victory Loan total by yesterday had reached $415,327,700, and there is every likelihood that before the last subscription reaches headquarters the grand total will be $425,000,000. The number of subscribers is now 782,714, or, roughly, one in every ten of the population. Provincial totals range as follows:

Ontario	$203,923,500
Quebec	94,147,100
Manitoba	31,769,850
Saskatchewan	20,000,000
Nova Scotia	18,588,150
British Columbia	17,820,500
Alberta	16,515,150
New Brunswick	10,250,000
Prince Edward Island	2,313,450
	$415,327,700

There has been no listing of the Victory Bonds this week on the Canadian exchanges and no sales are likely to be made until after the second payment falls due, on January 2, after which deliveries may be made. There is a general feeling among brokers that the suggestion made two weeks ago by THE FINANCIAL POST should be taken into consideration by the Minister of Finance and the market supported so that sales would not be made below a par basis. Most of the canvassers made use of the argument in their rounds that these bonds were worth their face value at any time, and they feel that confidence in being able to convert them into money at the price paid was of considerable influence in persuading investments. Moreover, they point out that it would be a poor argument in a future offering, such as may be made within a year, if the public could excuse themselves on the ground that the bonds sold at the end of 1917 fell far below par, and where sales took place wiped out a large percentage of the interest thereby.

L. G. Beaubien, Montreal, speaking to THE FINANCIAL POST, stated that he was in favor of the Finance Minister taking up about $350,000,000 of the subscriptions, and arranging to protect such bonds as were thrown on the market.

Not for Three Months

In the opinion of the chairman of the Montreal Exchange, Purvis McDougall, "There is no desire apparent to list the new bonds." He did not see how they could be listed until the allotment was made by the Finance Minister, and this might not be done for several weeks. Indeed, clerical work at the head office in Montreal will not be completed for at least a week. Mr. McDougall pointed out, as possibly furnishing a precedent for the new bonds, that in the case of the preceding loans the Minister did

Continued on page 7.

THE FINANCIAL POST'S SERVICE.

Haven't you wished many, many times that some intelligent secretary or other person would skim the papers and periodicals you receive, and passing over the murders, scandals, ward politics, etc., red pencil those articles which as a business man you ought to read, or which bear on your affairs and interests? Well, we are trying to render this kind of service for you through THE FINANCIAL POST.

After reading this issue, if you are already a subscriber, we would appreciate it if you would pass it to some friend who does not see the paper regularly, and who you think would be interested in it. The more subscribers we secure, the better paper we will be able to produce each week.

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NEWS OF SECURITIES—Situation Very Dull

THE success of the Victory War Loan has failed to stimulate the Canadian markets, which continue in a state of inertia. Trading is practically at a standstill and events of the week which were so closely followed by Wall Street—such as the two-edged address of President Wilson, which first strengthened and then depressed American stocks—have had no more than a sentimental effect in Montreal and Toronto. Not only may it be pointed out that many of the professional element are still devoting themselves to the details of the war loan, and that the election is occupying public attention for the time being, but the fact remains that the taking of such an immense sum of capital for government purposes has left comparatively little for market investment. Further, the banks are not inclined to encourage anything like a speculative boom, even if the brokers considered that conditions warranted an early readjustment of values. Opinion continues as to the low level of the present market and as to an ultimate readjustment to much higher levels—a situation favoring good investment securities for a hold—but the immediate future is clouded in an uncertainty which in some degree confirms the public favoritism for the more readily convertible holdings. Altogether the period is the quietest which has been experienced since the resumption of trading after the war suspension and no expansive revival is looked for in the immediate future. There has been some trading in the war loans which have been adjusting themselves to the basis of the new issue after the expiration of the conversion privilege.

J. S. Bache & Co., New York.—The market has recovered from the unreasoning state of mind which induced the rapid and extended decline earlier in the month. This at least is evident, but dullness has taken the place of excitement, and there is no exhibition as yet of progressive advance. It is perhaps natural that, considering the severity of the fall, no matter how low the levels seem, considerable time should be required for recuperation. In the meantime, the market is controlled by war developments and operations are largely professional.

National City Bank, Chicago.—It is recognized that this re-adjustment has placed the investment markets in a much safer position and depressed high-grade securities to a level which ought to attract January investors. There is very little disposition to speculate, however, as it is felt that the government borrowings should be provided for first of all and that in such a situation as exists to-day it would be, to say the least, unpatriotic for the banks to support a speculative campaign. The government must receive consideration ahead of all other borrowers so long as the war lasts.

Spenser, Nash & Co., New York.—A spirit more in consonance with the customary conception of our national feast of Thanksgiving has made itself felt quite plainly in the last ten days. Not that any absolute feeling of optimism has replaced the pessimism which reigned earlier in the month, but that a clearer perception is being gained of the impelling forces behind the liquidation which at one time this month threatened to assume really alarming proportions.

STEEL

Market Continues Dull, Prices Almost Stationary—Shortage Becoming More Acute.

By P. BAIN, M.E.,
Editor, Canadian Machinery.

The market has hardly recovered from the effects of the Victory Loan campaign and the situation is much the same as last week. Price changes have been few and narrow and, as a rule, quotations are at the same level as last week. There is, however, a firm tone and the outlook is improving. The large amount of money subscribed will benefit Canadian industries through the expenditure of such a vast sum of money. The munitions industry in particular will benefit by the success of the War Loan as considerable proportion of the money will be appropriated for the manufacture of shells. Already arrangements have been made to distribute substantial orders for shrapnel, 4.5 inch, and 6 inch H.E. shell which will keep many plants actively employed for several months.

The iron and steel market is somewhat dull, the situation being practically unchanged. Business is on the quiet side owing to the difficulty that is being experienced in obtaining steel for any purpose other than for war equipment of one kind or another. Judging from the number of enquiries received by local merchants there is little doubt but that business would be brisk if all the material that is required could be obtained, this applies to imported steel as well as domestic material. The enquiries cover a variety of lines and come for the most part from manufacturers who are suffering from the shortage. Manufacturing operations are being restricted on this account, the result being a scarcity in a number of articles required for everyday use. Manufacturers should place their orders for iron and steel goods requirements well ahead, and not allow stocks to become depleted before ordering fresh supplies; by this means delay in deliveries would be avoided.

Manufacturers are much concerned over the difficulty that is being experienced in obtaining steel from the United States. It will be remembered that some weeks ago the embargo question was taken up with the Priority Board at Washington and it was announced that favorable consideration would be given applications for steel for munitions and shipbuilding. It seems that the situation is not altogether satisfactory even in respect to these, and it is understood that further steps will be taken to have the embargo modified still more. In view of the enormous and increasing demand in the States for steel for war purposes, it will not be an easy matter to modify the embargo. In view of the shortage of steel in Canada, it is not unlikely that the Dominion Government will restrict and may even prohibit the exportation of iron and steel to British possessions. At present the prohibition only applies to foreign countries.

	Close, Nov. 29	Close, Dec. 6	Change
Can. Car	18⅛	18⅛	..
Do., pref.	49½	49½	..
Can. Loco., com.	58	58	..
Do., pref.	85½	89½	+ 4
Gen. Elec.	101½	101½	..
Dom. Bridge	128	128	..
Dom. Iron, pr...	88	88	..
Dom. Steel	53½	52½	— 1
N.S. Steel, com.	79½	79½	..
N. Stl. Car, pr..	17	17	..
Stl. of Can., com.	50	50	+ ½
Do., pref.	84½	85	..
Rus. Motor, com.	50	50	..

NATIONAL STEEL CAR.

National Steel Car affairs are still unsettled, although it is understood that the position of the company has considerably improved since the new manager was appointed a few months back. It is unlikely that the preferred shareholders will get any dividends until some of the losses on the French contracts have been made up. The stock is a shade weaker, being now quoted at 4.

STEEL OF CANADA.

Steel of Canada stock has been very steady during the week and remains above the minimum price. The company is making improvements and extensions to the Hamilton plant which will cost in the vicinity of $150,000. The stock is one of the cheapest securities on the list and in view of the unusually favorable statement at the meeting last week an early appreciation in its value is not unlikely. Earnings are continuing at such a large margin over dividend requirements that present restrictions on the stock market have not impaired street optimism as to the outlook for shareholders. The regular quarterly dividend of 1½ per cent. on the common stock, and 1¾ per cent. on the preferred are payable February 1 to holders of record January 15.

ALGOMA STEEL CORPORATION.

The Algoma Steel Corporation, it is stated on good authority, is producing 50,000 tons of steel ingots per month. The labor situation is said to be considerably better, and the company without a doubt will show the best year in its history. The fixing of prices in the United States is said to be holding up business somewhat for the time being, but being subject to change on Jan. 1 the new prices are expected to influence favorably the company's operations thereafter. Recent quotations in Philadelphia, on Lake Superior Corporation, of which Algoma Steel is a subsidiary, were 11⅝, and on the income bonds 45 bid.

CAN. FAIRBANKS-MORSE.

The Toronto factories of the Canadian Fairbanks-Morse Ltd. are preparing to turn out a new order recently received. The order is from the American Government and is for 1,500,000 seventy-five millimetre shell, such as have been ordered from a number of Canadian concerns within the past month. The plant is now being tuned up to turn out the new contract as expeditiously as possible. The company is also engaged on filling an order for 300,000 six-inch shells for the Canadian Government. These two orders will ensure plant activity until next fall, when taken in conjunction with orders already on the books and other orders anticipated in the company's regular line of business. The volume of these latter orders is quite large, so much so that a very successful year is anticipated in all departments during 1918.

NOVA SCOTIA STEEL & COAL CO.

October net profits of Nova Scotia Steel & Coal Co. were slightly better than $400,000, which means in substance profits for the $15,000,000 common at the rate of $30 a share. This balance is net for dividends because of the fact that in making up its figures the company does not strike its net until after deduction of the Canadian War Taxes. Nova Scotia Steel is expected to continue its $5 a share dividend disbursement. This will entail the payment to stockholders of but $750,000 per annum, leaving an estimated $3,500,000 to $4,000,000 to be used for property betterment. It is interesting to know that in October the company's blooming mill was able to roll its steel at a reduction in previous cost of production of $1.62 per ton. The blooming mill is working to capacity and is outputting slightly less than 700 tons daily. L. W. Adams of Bethlehem, Pa., has been appointed general superintendent of the company's plant at Trenton, N.S.

DOMINION BRIDGE CO.

The Dominion Bridge Co. has not actually commenced operations on the contract with the United States for 75 m.m. shells. Preparations, however, are under way and a start is expected shortly. It will be recalled that over 6,000,000 shells were placed with Canadian munition concerns on behalf of the United States Government. It is understood that the company will commence shipments in January next and that deliveries are to be made not later than the following July. The annual meeting of the shareholders of the Dominion Bridge Co. will be held at Montreal on Dec. 20. The first freight train crossed the Quebec Bridge on Monday morning last thus inaugurating the regular service.

To the Victory Loan, Dominion Bridge Co. subscribed $250,000. In addition $1,600,000 was subscribed by its subsidiary the St. Lawrence Bridge Co., and $250,000 by another subsidiary, the Dominion Copper Products. As Dominion Bridge owns 50 per cent. of the stock of each, its pro rata interest in their subscriptions would be $800,000 in one case and $125,000 in the other, making with its own subscription a total of $1,175,000. This is in addition to old war loans valued at $616,000 in the balance sheet of the company issued this time a year ago. The large subscription entered by the St. Lawrence Bridge Co. may be accepted to represent the release of funds which has followed the completion of the Quebec Bridge contract. Bridge stock has been stationary for some time at 128.

DOMINION STEEL CORPORATION.

No better evidence of the prosperity being enjoyed by the Dominion Steel Corporation can be adduced than that relating to the Victory Loan contributions of both the Board of Directors and the employees. The former amounted to $3,000,000 and the latter, embracing coal as well as steel plants, totalled in the vicinity of $700,000. Steel production is being maintained on a highly satisfactory basis, same offsetting revenue losses due to falling off in coal output which has been quite marked during the present year. Coal production for November fell to 280,000 tons, the lowest of the war period. As both the steel and coal departments are largely engaged on war work, the minimum of dislocation is expected from the operation of the military conscription act. The stock has been quiet but steady, selling ex-dividend.

TEXTILES

Market Scarcely Moved—Feeling of Long War Helps Sales of Products.

By H. H. BLACK.

The present week has been almost a record one for light sales, one security standing alone with a mere handful. This is not surprising, however, considering the general condition of the market.

One of the most promising features of industrial conditions to-day, and one that will benefit all classes of textile mills, in one direction at least, is the feeling that the end of the war is not coming in the immediate future, and hence that all chance of prices dropping within the next selling season has gone a-glimmering. The result is that the average jobber and retailer now feels that he might as well buy at once rather than wait and risk higher prices both in woolens and cottons. The general manager of a manufacturing concern told THE FINANCIAL POST this week that, whereas during the summer sales were light in expectation of war ending by Christmas, they had picked up considerably the last two or three weeks.

The knit goods mills have also come into a more favorable condition. There has been heavy buying for the French Government recently, and some stocks that had accumulated have been cleaned out both from jobber and manufacturer. They will not only "cash in" rather unexpectedly, but will be in better shape to produce and buy respectively for the fall of 1918.

Raw cotton is a shade higher this week—a little over 30, or 10 cents above one year ago.

As pointed out before, the difficulty of obtaining goods from the States is increasing perceptibly, thus increasing the field for Canadian mills in some lines.

	Close, Nov. 29	Close, Dec. 6	Change
Can. Cot., com..	48½	48½	..
Do., pref.	76	76	..
Dom. Tex., com.	80¾	80¾	..
Do., pref.	100	100	..
Mon. Knit., com.	30	30	..
Mon. Cot., pref.	100	100	..
Penmans, com...	65	65	..
Do., pref.	81⅞	81⅞	..

CANADIAN CONVERTERS.

"Remarkably good" was the report of the general manager of Canadian Converters in speaking to THE FINANCIAL POST in regard to the orders for next fall which this firm is now booking. Mr. Roy believed that ordering in advance had improved as a result of the continued high prices of cotton, but more, as due to the prevalent belief that the war would not end for a year at least, and that prices would go higher, rather than lower. In the summer there had been a feeling that the war would end this fall and this had checked buying far in advance of actual needs. The first six months of the new year of Canadian Converters shows a volume of business in excess of the corresponding period of last year.

There were no sales of the stock on the market this week.

PENMANS.

With samples for next fall ready in most lines there will be a rather keen interest in following up the early orders received by Penmans from the trade. It has been mentioned here that spring orders were rather disappointing, and partly as a result the mills accepted U. S. orders. However Canadians will be forced to depend more than ever on their domestic mills and a steady business should result. THE FINANCIAL POST is informed that in certain lines Penmans' mills will be kept busily engaged with the orders now on hand, until next fall.

CANADIAN COTTONS.

It will be nearly two months before the offerings for fall, 1918, are sent out, and in the meantime Canadians Cottons are hopeful that the raw market will be more assured, instead of subject to fluctuations, either way, as the result of the merest rumor. The mills continue to be busy on domestic and United States orders, and in total sales the present year will show a fair increase over last. There were no transactions on the stock market this week.

DOMINION TEXTILE.

It will not be until next fall's lines are ready that the changed attitude of the jobber towards buying early will be felt by Dominion Textile Co., but this will benefit it just when it may be required. In the interval the mills are busy on manufacturing goods for spring, as well as on the substantial war orders from across the border. There were a few sales this week of common at the minimum of 80¾.

MILLING

Licensing of Companies Selling Package Cereals Should Have Favorable able Effect.

By J. L. RUTLEDGE,
Editor Canadian Grocer.

The assurance given to a considerable number of cereal manufacturers that they will be permitted to manufacture cereal products and sell them in such packages as they may deem fit is pretty good evidence that the order-in-council forbidding the sale of these goods in packages is a dead letter. This will be matter for self congratulation on the part of most of the milling concerns. The supplies of carton material that would have been wasted had this restriction of trade actually gone into effect would have been a very serious item, and this in addition to the reorganization of selling systems that such an order would have necessitated would have gone a long way toward making the local business in many of these lines valueless for some time to come. The numbers of committees appointed to consider the matter of licensing have definitely advised that manufacturers of these products be licensed, and the granting of certain licenses is a fair indication that this recommendation has been favorably received. There is a rider to this advice, however, to the effect that the prices both from manufacturer to wholesaler and from wholesaler to retailer shall be satisfactory to the Food Controller. It is possible, therefore, that in place of the more stringent regulation a certain measure of price setting may come in force. There has been no hint, however, of such action up to the present moment.

One difficulty that is affecting many of the mills at the present time is the increasing cost of all kinds of bags and of the jute for tying. This is making it difficult to secure the fixed profit of 25 cents a barrel that the government was to allow, and it is likely that some representations will be made to the Controller looking to a slight advance in the present prices of flour,—which are not specifically fixed,—and which will allow for the increases in the cost of production. This is not expected to take place until after the elections are over.

LAKE OF THE WOODS.

There has been no drop in the volume of orders that have poured in upon the Lake of the Woods Milling Co. for weeks past, since there came to be a feeling among the bakers that the price of flour had reached a point where it could be considered as a fixture. The seasonable demand is, of course, very heavy at this time of year, and another element that undoubtedly is working for larger sales is the apprehension as to some new regulation which might curtail the manufacture of the present high grades of flour, and substitute a standard brand that might not be so popular. In milling circles, however, an insistence on such a standard to the exclusion of the present lines is not looked for at all.

There were a few transactions in the common stock of the company. This maintained the 120⅛ figure of the past week or so.

OGILVIE MILLING.

Although the majority of the makers of cereal foods have been granted licenses by the Food Controller to retain the smaller sizes of package that have been in use, Ogilvie Flour Mills Co. have not yet received word with reference to the sale of flour in other than 20 lb. bags. Nor are they at all certain that this permission will be extended to packages of flour. This, however, will not be a serious matter, as this branch of the business does not come in the same class as the bulk sale of flour. The demands of the trade continue as they have been for weeks past, so that the mills are working to capacity to keep up with orders.

There was no trading in either the common or the preferred during the past week.

MAPLE LEAF.

The business of the Maple Leaf Milling Company is reported to be in a very satisfactory condition, mills are operating in 24 hour shifts, and the full capacity output is being maintained. As this is mainly on government contracts there is little difficulty experienced in the handling of this output. The difficulty that the company has experienced is in respect to some of the Food Controller's regulations regarding mill feeds, none of these, however, have been of troublesome nature, as the company has been able to assure the Food Controller that no undue profits were being made on these lines.

The only development in the stock sales of the company during the past week has been a rather startling display of weakness under very light selling, the stock declining from a high of 104 in the late trading of last week to 94 in the early trading of this, a straight drop of 10 points. There is nothing that would seem to justify this sudden change. The preferred on the other hand remained firm at 92.

WESTERN CANADA FLOUR.

J. E. Macfarlane, manager of the Western Canada Flour Mills Company, is at present in the West in the interests of the company. There have been no new developments in the activities of this concern during the course of the past week.

The regular 2 per cent. dividend payable to shareholders of record of Dec. 5 will be available on Dec. 15, also 10 per cent. stock bonds payable at the same date.

SHREDDED WHEAT.

While no definite word has been obtainable with regard to the actual licensing of the Shredded Wheat Company, the fact that other breakfast food firms have been granted a license seems to indicate that this will also be forthcoming in the case of this company. There has been no activity of recent date in either the common or preferred stock of the company.

PULP AND PAPER

Trading is Exceedingly Light and is Confined to a Few Shares of One or Two Issues.

There has been no improvement in the market for pulp and paper stocks. The public is ignoring these issues almost completely in spite of their undoubtedly attractive investment possibilities. A single sale of Laurentide occurred at the minimum, and there was light trading in Brompton and North American, but other issues, including such stocks as Riordon, Spanish River, Wayagamack, etc., were not touched. The only stocks in which there has been any movement are Brompton and North American, the shares of each of which were softer during the week.

	Close, Nov. 29	Close, Dec. 6	Change
Laurentide	152	152	..
Riordon	117¼	117¼	..
Spanish, com.	13	13	..
Wayagamack	50	50	..
Brompton	40	39¼	— ¾
N. A. Pulp	3¼	2⅞	— ⅜
Price Bros.	120	120	..

The situation as regards both the newsprint and the book paper investigations stands about where it did last week. So far as newsprint is concerned it is understood that Mr. Clarkson, the Commission's auditor, is proceeding with the revision of figures covering the amount of capital invested in the various industries with a view to determining what would be a fair return on the actual investment. When this is completed, there will probably be further hearings by Mr. Pringle, either in his capacity as special investigating commissioner or as controller of paper.

So far as the book paper inquiry is concerned, no date has yet been set for the second hearing, which was originally scheduled for to-day, but was postponed until after the election. The questionnaire is now in the hands of the manufacturers concerned. As a result of the undertaking of the manufacturers at their meeting with the publishers two weeks ago individual customers have been interviewed, their needs ascertained, and a considerable reduction in prices brought about. This cut, however, will not in any way obviate the necessity of proceeding with the inquiry, as it is the commissioner's intention to fix prices and establish trade customs in conformity with practices in the United States.

ABITIBI.

"All things considered, the 3-cent rate fixed by the Federal Trade Commission must be regarded as satisfactory," remarked F. N. Anson, president of the Abitibi Power & Paper Co., to THE FINANCIAL POST this week on his return from New York. While nothing has been heard in regard to a Canadian price, and nothing is expected until the elections are well out of the way, Mr. Anson does not look for the Canadian rate being made retroactive. If this is not done the Canadian newsprint mills will have been delivering paper at 2½ cents for nearly 11 months, at a loss as all claim.

Speaking of the operations of the Abitibi mills, Mr. Anson stated that the export trade was quite as large as last year at this time, and altogether the mills were "doing very well."

BROMPTON.

Much interest is manifested in the first statement of the Brompton Pulp & Paper Co., which will be available early in the New Year. It is believed that this will satisfy the investors who had become anxious over the steady decline that marked the stock prior to the fixing of the minimum price. The picking up of all shares that are offered at the present minimum suggests that those behind this plant are not distrustful of the real value.

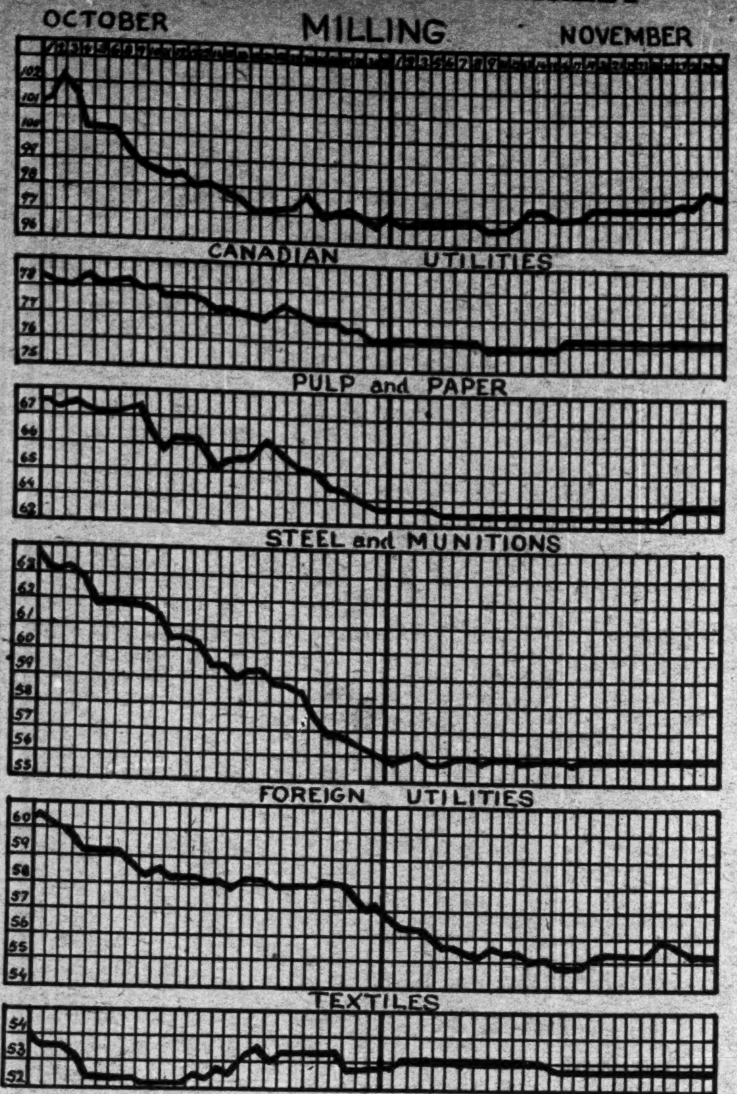
RIORDON.

Those in charge of the Riordon Pulp & Paper Co. are still confident that there will be an agreement reached between the publishers, the book paper mills and the pulp manufacturers, by which there will be no need of an official investigation. The domestic and export trade of these mills continues to keep well up to the mark, and with the improvements to the mills this year, and the higher grade of pulp that is being turned out at Merriton the profits for the year should rank up well with those of last year. Considerable difficulty is experienced in securing cars for shipping pulp to the United States mills, but it is believed that the new railway association of Canada will co-operate with the United States roads in such a way that more cars will be released for the requirements of the Canadian trade. The visit of the officials to New York to attend the "celebration" of the first anniversary of the acquirement of the Ticonderoga mills recalls the valuable adjunct that this property will become to the Riordon mills in Canada. The dividends this year on the Ticonderoga Pulp & Paper Co. amounted to two payments of 10 per cent. each.

HOWARD SMITH.

It is now known that it will be early in February before the Crabtree mill of the Howard Smith Paper Mills [illegible] be ready for making bond paper, after its conversion from newsprint. In the meantime the Beauharnois mill is working to capacity on domestic orders. THE FINANCIAL POST was informed that this mill, like others in a similar position, is looking for an increased demand in Canada in the next year or so, as already the restrictions set on U.S. export are making it more difficult to secure bond and ledger papers from that country. Thus the Canadian trade will be compelled to depend more on the local mills.

THE TREND OF THE MARKET



The chart of stock movements on the Canadian exchanges for the month of November displays little of usual interest from the fact that since the establishment of the minimums practically all transactions have been at the official figures. However, the relationship of the November level to the declining "curve" of October—and October was for the most part a continuation of conditions of September—gives room for the investor to draw his own conclusions as to the probable protection which has been provided by the artificial market. In this connection it is significant that there has been a further decline in the foreign utilities which include a number of American stocks not protected by the minimums as well as a number of others representing enterprises in the States, South America and Spain which are for the reason that they are controlled here.

MINING STOCKS

More Activity Develops in the Market and Stocks Are Inclining Towards Greater Strength.

With average sales during the week of 67,465 shares per day, the Standard Exchange has experienced a more active week than for some time past. Part of this good showing was due to the flurry in Peterson Lake on Friday and Saturday of last week, part to the buying of Temiskaming on news of its dividend declaration, etc., and part to the boom in Newray, which developed during the week and culminated with a rapid rise on Thursday. All these movements helped materially to swell the total. Each day's business is set forth in the following table, together with the price of bar silver:—

	Transactions in shares	Bar Silver per oz.
Friday, Nov. 30	91,514	.84¼c
Saturday, Dec. 1	46,902	.84¼c
Monday, Dec. 3	60,004	.85c
Tuesday, Dec. 4	50,920	.85⅝c
Wednesday, Dec. 5	71,260	.85⅝c
Thursday, Dec. 6	84,190	.85⅝c

So far as the price of silver is concerned, this has shown strength doubtless as a result of the intimation that the fixed price would likely be 87 cents or better. A despatch from Washington, where negotiations have been in progress between the government and the producers, says that it is understood the price of silver will be fixed by the Government at slightly more than the current quotation—87 cents per fine ounce. The agreement under which the plan will be put into operation will hold for two years. Western producers have been holding out for as high as $1.00.

It will be recalled that the Governments of Great Britain and the United States are negotiating to buy 100,000,000 ounces of silver next year, of which 60,000,000 ounces will go to Britain and 40,000,000 ounces to the United States. Ontario's share of this total should be nearly one-quarter.

Prices of stocks have not changed much during the week. There was a tendency to weakness at first, with a decline from the closing prices of the previous week, followed by strength on Wednesday and Thursday, which carried quotations in some instances above the previous week's levels. Changes in the principal stocks are shown in the following table:—

	Nov. 29	Close Dec. 6	Change
Adanac	.13¼	.12½	—.00¾
Beaver	.31	.30	—.01
Dome	6.60	6.80	+.20
Dome Ex.	.09¼	.09¼	..
Hargraves	.09⅛	.08⅞	—.00¼
Hollinger	5.05	5.00	—.05
McIntyre	1.34	1.38	+.04
Nipissing	8.00	8.00	..
Vipond	.20¼	.21	+.00¾
Timiskaming	.25½	.26	+.00½
Newray	.32	.45	+.13
West Dome	.13¾	.14	+.00¼

Ore shipments from the Cobalt camp last week were down to 632,434 lbs., only six mines contributing. On the other hand bullion shipments were up to nearly $100,000 in value. The shipping mines were:—

Shipper	Cars	Pounds
Buffalo	4	276,195
Dominion Reduction	1	87,000
McKinley-Darragh	1	86,311
Hudson Bay	1	65,680
La Rose	1	62,921
Mining Corporation	1	54,327
Total	9	632,434

Three companies contributed to the bullion shipments, which were as follows:—

Shipper	Bars	Ounces	Values
Nipissing	57	49,655.13	$43,696.51
Mining Corp.	46	45,723.81	38,959.55
Buffalo	19	19,078.00	17,000.00
Totals	122	114,456.94	$99,656.06

Provided the usual dividends are paid for the current quarter by the metalliferous mining companies of the Province of British Columbia, the total for the year will reach the sum of $3,114,489, which is equal to an average dividend at the rate of 2½ per cent. for the year on the invested capital. Thus far the dividends paid by the various companies are as follows:

Granby Consolidated	$1,499,848
Cons. Mining & Smelting Co.	632,085
Standard Silver Lead	300,000
Hedley Gold Mining Co.	60,000
Rambler Cariboo	52,500
Utica	31,861
	$2,726,294

This figure, however, includes a sum of $374,962, which has lately been disbursed by the Granby Company for the current quarter. This is the second highest total paid by this company in the form of dividends since operations were commenced. In 1906, the year of the high copper prices, the company paid dividends of $1,620,000, which was at the rate of 11 per cent.

TEMISKAMING.

A three per cent. dividend, payable January 18 to shareholders of record December 31, was declared during the week by the Temiskaming directors.

The company is making preparation for actively developing the Horne and Grazelle claims, adjacent to the Kirkland Lake Gold Mines.

A special meeting of shareholders has been called for December 28 to consider a proposition to enter into partnership with Beaver Consolidated in the ownership of the Kirkland Lake property. Temiskaming has been offered 870,000 shares at 40 cents, which would give it an equal interest with Beaver.

Managing Director Culver of Beaver and Temiskaming, who is responsible for this latest offer being made, explains that he is chiefly actuated by a desire to lengthen the life of Temiskaming to the advantage of its shareholders. His own reports, confirmed by two mining engineers, have demonstrated that Temiskaming, as far as can be seen, is nearing the end of its tether as a mine. Mr. Culver says himself he does not see how it will be possible to keep on producing silver from the property very far into the New Year.

Temiskaming shares have shown strength as a result of these developments, advancing as high as 27 on Thursday and closing that day at 26.

TECK-HUGHES.

The proposal to increase the capital stock of the Teck-Hughes Mining Company from $2,000,000 to $2,500,000 was given unanimous approval at a special meeting of shareholders held at the King Edward Hotel this week. It was stated that 1,345,326 shares were represented and that the number of proxies would have been larger had not several blocks of them have been delayed in the mails.

The directors are now vested with authority to issue up to 500,000 new shares at a discount of 70 per cent. In order to make the new financial appeal to shareholders, the plan will be to issue bonds at $700 each, though of a face value of $1,000, and bearing interest at the rate of seven per cent., and each bond subscriber will be privileged to buy 1,000 shares of stock for $300, or at the rate of 30 cents per share.

There have been no transaction in Teck-Hughes shares for the past two weeks, the last quotation being 30.

NIPISSING.

Officials of the Nipissing Mines Co., Ltd., say that the average price received for silver sold in 1917 will be well in excess of 75 cents an ounce. This will compare with average 68¾ cents received in 1916, which was 3 cents higher than the average market price.

Estimates of the net result of operations for 1917 are involved in uncertainties regarding a number of factors. Besides the still problematical item of taxation, future receipts are contingent to an important extent on the price for silver, which may be established by the Canadian government.

Mine operations contend with many difficulties. Higher wages are accompanied by lowered efficiency, due to the fact that skilled labor has been largely depleted by the draft. Not only has the cost of supplies increased, but they are not always easy to obtain. The embargo placed by England on shipments of quicksilver has particularly hampered milling operations. The only supply available is consequently that which could be procured in the United States, and the company meets many obstacles and delays here, owing to rigid export-license regulations. Owing to delayed shipments, consignments of quicksilver have had to be forwarded by express at a transportation of $7 a flask.

A few shares of Nipissing sold on the Standard Exchange during the week at $8.00 a share.

PETERSON LAKE.

Activity in the shares of the Peterson Lake Mining Company towards the close of last week was explained by the announcement that the courts had decided in favor of the company in its action against the Dominion Reduction Company relative to the ownership of a large accumulation of slime dumped on the Peterson Lake property between 1910 and 1915. This dump is one of several potential assets, of the company and it is understood to contain about $1,000,000 worth of silver, which will have to be extracted by the oil-flotation process.

The half-yearly report of the company for the six months ended October 31, shows cash assets of $27,365, a small quantity of ore on hand and dumps and slimes of an estimated value of $300,000.

In his report to the shareholders, Managing Director Mr. Forest says: "I regret to inform you that we have not, as yet, struck silver in paying quantities. After thoroughly prospecting at the two-hundred-foot-level of the Susquehanna workings, we came to the conclusion that, in order to find silver in paying quantities in this section, it would be necessary to sink the shaft to the contact and prospect from that level. To do this work it would cost more than we wish to spend on this section at present, as labor and material are so high. In order to curtail expenses, we moved our workings on September 16th to the Mercer section of the property, which is in the conglomerate formation and adjoins the Nipissing, Seneca-Superior, McKinley-Darragh, Savage and Provincial Mines. Our mine-captain informs the writer that the possibilities for striking good silver values in the present working are very promising, but only time and work will tell.

"I also wish to state that the property is being carefully worked, that the funds are being advantageously expended and we are doing all in our power for the welfare of the shareholders."

After its advance to 16 last Friday, the stock has sold back, going as low as 11¾ on Wednesday, but recovering to 13 on Thursday.

KERR LAKE.

Mr. E. H, Westlake, the secretary of the Kerr Lake Mining Co., has issued to shareholders the following instructions: "Pursuant to resolution of stockholders of November 12, 1917, Kerr Lake Mining Company, of New York, has transferred all its assets to Kerr Lake Mines, Ltd., of Ontario. Each shareholder will receive one share of new stock for each share of old stock surrendered. Shareholders are requested to send their certificates to Bankers' Trust Company, 16 Wall Street, New York City, for exchange, and such certificates need not be endorsed if new shares are to be issued in the same name as appearing on the old certificates. The new stock will be issued in certificates of 100 shares and fractions thereof unless otherwise ordered by the stockholder. No new certificates will be delivered to any one other than the registered owner, except upon express order signed by such registered owner. The current dividend, of December 15 will accrue to stockholders of record of the old company as of November 28, 1917, the payment of this dividend has been assumed by Kerr Lake Mines, Ltd., therefore it is important that certificates for the old stock be turned in promptly and new certificates issued."

CONSOLIDATED SMELTERS.

The continuation of the miners' strike at the Trail smelter means a loss of $24,000 per day, $170,000 per week, and $700,000 per month in wages to the men and a proportionate loss to the merchants of that city. The strike, which was declared on November 17, threw some 6,000 men out of work, of which 3,000 were employees of the Consolidated Mining and Smelting Co. The strike also means the cessation of the production of one million dollars' worth of metals per month.

In May of last year the Consolidated Company made an agreement with their employees, providing for an increase of 40 cents per day per man, the contract to remain in force during the continuation of the war. This scale remained in effect until April of this year, when the company voluntarily granted an advance of 25 cents per day, in view of the high cost of living. The union immediately demanded 50 cents, and after several weeks of negotiation the company agreed to make a further increase for a period of four months from May 1, the scale at that time to be settled by the prevailing price of lead at Montreal. Notwithstanding the existing agreement, the men then agitated for an eight-hour day, and on the refusal of the union to submit the matter to an arbitration board for settlement, the men were called out. The district officers of the union agree that the strike is irregular and cannot be supported. In the meantime the Trail district is suffering.

TRANSPORTATION

Uncertainty Still as to Prospects for Increased Rates—The U. S. Situation.

In view of the fact that it is not likely that the Railway Commission will render any decision in the matter of the application of the Canadian roads for increased rates until after the Dominion elections, and that the developments in the United States are likely to prove an important factor in that decision, holders of Canadian transportation stocks have no doubt been giving their attention to the news from Washington. So far the machinery of the American railway pool has not worked very smoothly. For this the railroads allege that there has been interference by inexperienced politicians, which is handicapping their operations. In fact, railroad officials take the stand that what the Government is now asking them is what they would have done themselves years ago had it not been that the Government would not permit amalgamations which would have resulted in unification of service and consequent efficiency.

The American Interstate Commerce Commission is urging that the roads be united into one aggregate force either under their own operation, or that Government ownership be established. The Commission believes that some drastic action must be taken immediately if a grave national crisis is not to be avoided.

As a means of enabling the railroads to organize so as to operate conjointly under their own management the Commission suggests that Congress, if this scheme appears advisable, must pass legislation repealing the anti-trust and anti-pooling

Continued on page 4.

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CORRESPONDENCE SOLICITED.

NEWS OF SECURITIES

Continued from page 3

laws. In no other way could it be done, the Commission says, since both Federal and State laws stand in the way of such a combine of railroad interests as would be necessary to carry out the plan.

The Commission advises that, if the railroads are to be allowed to unite under their own control, it will still be necessary for the Government to extend financial aid. This, the Commission explains, becomes imperative because of the heavily advanced expense to the railroads in operating their systems during war time, and the difficulty, owing to Governmental activities in finance, caused by the flotation of heavy bond issues, loans to allies and other war exigencies, of the railroads readily getting the money they want.

The American crisis is the result of the legislation of recent years, which has prevented reasonable profits, the maintenance of efficient systems and the encouragement of the investment of capital. And yet with this tragedy in national business as an example the Canadian Commission continues to refuse to grant anything like reasonable treatment to the Canadian systems. The issue is an important one, and Canadian business should bring pressure to bear at Ottawa to insure that the commerce of the country is kept moving.

New high marks were established for November in gross earnings of the Canadian roads with a total of $24,541,536, showing an increase over November, 1916, of 10.4 per cent. It is a significant indication of what this total means when it is noted that the November gross of C.P.R. alone, $14,962,000, exceeds the combined receipts of the three roads for November, 1914. The combined receipts for November, 1917, were $10,719,870 more than in November, 1914, or nearly 78 per cent.

The figures for the three roads as compared with November, 1916, were as follows:

C.P.R.	$14,942,000	$1,785,000	13.6
G.T.R.	5,569,336	205,683	3.8
C.N.R.	4,050,200	327,900	8.8
	$24,541,536	$2,318,583	10.4

A comparison of the monthly earnings in the last year with those of the month of the previous year show that only in August did the gross receipts fall. The largest percentage increases were in January and May, over 18% each. The figures for 1917 and 1916 compare as follows:

Month—	Total, 1917	Increase	%
January	$17,450,888	$2,726,672	18.5
February	15,043,606	375,691	2.5
March	19,967,637	2,623,196	15.1
April	20,236,111	2,158,306	11.9
May	23,709,303	3,755,467	18.8
June	23,709,303	3,441,546	17.4
July	22,771,680	1,825,119	8.7
August	21,449,020	*866,256	3.9
September ...	21,077,092	406,366	2.0
October	24,379,125	1,900,004	8.5
November ...	24,541,536	2,318,583	10.4

*Decrease.

The November earnings for the last six years compare as follows:

1917	$24,541,536	1914	$13,821,406
1916	22,222,953	1913	20,396,983
1915	20,839,500	1912	19,277,008

GRAND TRUNK.

The gross earnings of the Grand Trunk Railway for the month of November failed to show a high water mark as was the case of the other Canadian transcontinental systems and for this it is evident that the fact that the company does not enjoy the long wheat haul was largely responsible. However, although the total of $5,549,336 was lower than for some previous months, there was an increase of $205,683 or 3.8 per cent. over November of 1916. Following are comparative figures:

	1916	1917	Inc.
Nov. 7........	$1,244,959	$1,287,186	$42,226
Nov. 14........	1,283,901	1,306,511	21,610
Nov. 21........	1,202,201	1,266,711	64,420
Nov. 30........	1,612,502	1,689,929	77,427

Traffic receipts of the Grand Trunk Pacific Railway (Prairie Section) amounted to £34,494 in the first 7 days of November and showed an increase of £8,484 while for the fiscal year commencing July 1st to the date referred to the total was £503,169 against £259,197 for the corresponding period of 1916, an increase of £143,972.

The gross receipts of the G.T.P. for the second week of November amounted to £46,075 compared with £28,925 for the corresponding period of 1916, thus showing an increase of £17,100 for the week. From the 1st of July to the date referred to the receipts were £549,194 and showed an increase of £161,072.

CANADIAN NORTHERN.

The gross earnings of the Canadian Northern Railway for the month of November established a record for that system but it remains for the net figures, decimated by the steadily rising costs of operation, to be brought down before the profits can be estimated. The receipts for the final nine days of the month were $1,183,300 and for the four weeks the total was $4,050,200. Following are comparative figures:

Week—	1917	1916	Inc.	%
Nov. 7...	$ 895,400	$ 885,000	$ 10,400	1.17
Nov. 14...	1,039,800	825,100	214,700	26.02
Nov. 21...	931,700	852,000	78,700	9.22
Nov. 30...	1,183,300	1,159,200	24,100	2.08

From July 1st to the end of November the earnings of the Canadian Northern amounted to $18,583,600 compared with $18,146,100 for the corresponding period of 1916. The increase amounted to $437,500 or slightly better than 24 per cent.

It is announced from New York that an issue of $1,750,000 Canadian Northern 5 per cent. notes due December 1st, secured by $2,501,466 Mount Royal Tunnel and Terminal Company 5 per cent. bonds due 1970 was paid off in cash on that date.

Winnipeg papers print a Toronto despatch to the effect that business interests in Winnipeg, including the board of trade, grain exchange and some of the leading manufacturers are having a move launched for the removal of the Canadian Northern headquarters from Toronto to the Western metropolis. Nothing official can be learned in connection with the matter but such a move would not be a matter for surprise. Its success would undoubtedly depend largely upon influence at Ottawa now that the government has become the virtual owner of the system.

CANADIAN PACIFIC.

Gross earnings for the Canadian Pacific Railway reached a new high monthly total in November when the returns for the four weekly periods showed $14,942,000 as compared with $13,257,000 for November of 1916. The increase was $1,685,000 or approximately 13 per cent. It will be interesting to wait for the final return for the month when the net figures will be shown and shareholders will have an opportunity of figuring the relationship of profits to receipts. Following are comparative gross figures for the month:—

Week—	1917	1916	Inc.	%
Nov. 7.	$3,204,000	$3,136,000	$168,000	5.21
Nov. 14.	3,575,000	3,051,000	524,000	17.17
Nov. 21.	3,565,000	2,984,000	581,000	18.17
Nov. 30.	4,598,000	4,086,000	512,000	12.53

Sir George Bury, vice-president of the Canadian Pacific, was in New York this week to see what can be done toward the release of some 20,000 excess Canadian freight cars now being held by United States roads. He told the American officials if the Canadian roads could get back the cars referred to they could find the men to man and operate them.

Speaking with regard to price fixing Sir George stated that he stood for freedom of price, but if there was to be any successful regulation of the price of a commodity there would have to be regulation also of the value of the labor which is such an important factor in its production. Regarding the business situation he said:

"Our money is in most active circulation and our financial strength seems to grow on the demands upon it. We will come out of this war with financial prestige which will amaze your people down here. We are already a creditor country, despite the fact that Canadian business interests have studiously given first place to service and not to profit. Our income and profits taxes are in terms onerous, but a great deal of sound common-sense has been shown in carrying out the law, and there has been fair play all around. The very best men have been selected to assess our special war taxes."

During the week the market for Canadian Pacific has been comparatively steady and sales have been with an unusually narrow range, the quotations on the Canadian exchanges showing 132-132¼ on every light trading.

CANADA STEAMSHIPS.

Contrary to expectations, the upper lakes season of the Canada Steamships will continue later this year than ever before. THE FINANCIAL POST is informed that the underwriters have extended insurance on boats carrying Government grain up to Dec. 22, over two weeks later than the average. This will keep a large portion of the fleet busy, unless ice interferes with navigation. The Canada Steamships is now nearing the close of a year that has netted the highest profits in the company's history, considered either as individual units or as an amalgamation. The stock continues at the fixed minimum, and may not move much higher until there is some indication of an intention on the part of the board to declare the long-expected dividend.

There has been little trading this week in Steamships securities. There have been no sales in the common and the few transactions in the preferred have been at the minimum of 76.

ELECTRIC RAILWAYS

No Improvement in the Market, Which Continues to Decline in United States.

There is certainly no improvement in the general market for public utility stocks, although there are a couple of brighter spots in the very dull list. In the Canadian market the minimum barrier is no doubt providing protection for a number of securities, while in the United States there is no such protection, and further losses have been indicated, as illustrated on the chart appearing in this issue. Some hope has been added to the situation as regards the American electric railway stocks by the action of the board of Detroit United in raising fares to 5 cents straight, but this advantage, so far as this particular company is concerned, seems likely to be offset by action against the company by the city and by a break in the relations between the management and the civic authorities. Advances have also been made in Cleveland and there is an agitation gaining ground for general action in this direction. In Canada, however, there is not much indication that any such movement would be received with favor. In fact the evidence is to the contrary in view of the efforts being made to popularize public ownership and to give the impression that shareholders of these concerns are making profits which might be diverted to the people.

The Hydro situation in Ontario continues to draw considerable interest and the Beck projects are still facing the serious crisis which has been brought about by overselling the market to the extent that there is a shortage of about 100,000 horse-power and that some one will have to suffer by this poor administration. The situation is dealt with editorially and the point is made that the outcome may be that the the federal governments in Canada and the United States may step in and take charge of the whole Niagara development. Some relief may be provided by the decision of the Commission to make extensions to the Ontario Power plant calling for the expenditure of over $1,000,000 and providing for the development of 25,000 additional horse-power by July next and a further 20,000 horse-power during the summer. However, this development will not meet the situation of the present winter and this is the difficult problem which has been given to Sir Henry Drayton.

BRAZILIAN TRACTION.

The state of inertia in which the market is existing is reflected in the stagnation of trading in Brazilian Traction. Usually one of the most active of the issues on the Canadian exchanges, Brazilian was somewhat staggered by the dividend regulation but later revived and about the middle of November it was in the two to three thousand shares a day class. For a couple of weeks there was a decline in activity but at last report sales were running about 500 shares per day. However, since last report there have only been about 200 shares traded in altogether—and these at the minimum of 32. There has been no news regarding the company's operations or position recently and it is taken that the inactivity is merely an example of the attitude of the investing public. The directors have declared a quarterly dividend of 1½ per cent. on the preference shares.

DETROIT UNITED.

Although the increased receipts of the Detroit United Railway, as the result of the increase in fares announced in another column, will undoubtedly have a favorable effect upon

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BANK OF MONTREAL

Annual General Meeting Held 3rd December, 1917.

The 100th Annual General Meeting of the Shareholders of the Bank of Montreal was held December 3rd in the Board Room at the Bank's Headquarters.

On motion of Mr. R. B. Angus, Sir Vincent Meredith was requested to take the chair.

Mr. C. J. Fleet, K.C., moved, and Mr. Alfred Piddington seconded, that Messrs. George R. Hooper and W. R. Miller be appointed to act as Scrutineers, and that Mr. O. B. Sharp be the Secretary of the meeting. This was carried unanimously.

The Chairman then called upon the General Manager, Sir Frederick Williams-Taylor, to read the Annual Report of the Directors to the Shareholders.

THE PRESIDENT'S ADDRESS

Sir Vincent Meredith, in moving the adoption of the Report of the Directors to the Shareholders, said:

"On the third of November last the Bank of Montreal completed the one hundredth anniversay of the opening of its doors for business.

"I feel warranted in stating that never during this long period was its prestige higher, its business in sounder or more elastic condition and its earning power greater than I believe them to be to-day. I am glad to believe also that it has never enjoyed a wider measure of public confidence.

"The year, like the preceding one, has not been free from difficulties and anxieties, but we have been successful in avoiding large losses and are in a position to meet the legitimate demands of all commercial needs in addition to doing even more than our full share in financing both the Imperial and our own Government's requirements.

FINANCING WHEAT CROP.

"In this connection, it may not be out of place to say that the banks of Canada have recently loaned the Imperial Government $100,000,000 to assist in the purchase of the North-West wheat crop, and they are carrying further loans of $160,000,000 in connection with the purchase of munitions. The advances to the Dominion Government for war purposes now aggregate $147,450,000.

"The patriotic response of the banks and of our people to the demands of the Imperial and Canadian Governments for funds to enable them to carry on, and the adaptability of the Canadian banking system in meeting the ever-growing strain of war finance, are matters of gratification. That we shall continue our efforts to the utmost limit of our resources, always having in mind our liability to depositors, there can be no question.

"Business conditions in Canada continue buoyant. There is no recession in the great wave of industrial and commercial activity of the past few years, and trade in all lines, including what are generally known as luxuries, is highly prosperous. There is little or no movement in real estate, and building operations are restricted. Labor is fully employed at high wages, and there continues to be a deficiency in the supply.

"In the ten-year period, 1905 to 1915, the amount of capital employed in manufacturing industries in Canada increased from $846,585,000 to $1,994,103,000, or by 135 per cent., while the value of the products of these establishments rose from $718,352,000 to $1,407,000,000, a gain of 96 per cent. The output of munition plants has doubtless been a factor, though it is obvious that the industries of Canada are steadily enlarging the volume of their business and finding new markets.

"Bank loans have been augmented in consequence of the high prices paid for all merchandise. These high prices are the cause of some uneasiness to merchants carrying large stocks, and while I would counsel prudence, it is not apparent to me how there can be any material reduction in the cost of commodities in the near future.

ABNORMAL TRADE ACTIVITY.

"The large expenditures by our own Government in providing munitions and foodstuffs for Great Britain and our Allies, supplemented by the Mother Country's expenditures and the unexpectedly large orders which have recently been placed in Canada by the United States Government, all point to a continuance of prosperity and high prices, but it must not be forgotten that the prosperity we are enjoying is in a large measure due to the abnormal disbursements in Canada in connection with the war, and may, therefore, prove transitory. The funds which make possible these expenditures are largely obtained from British and Canadian Government borrowing and constitute an obligation which one day must be provided for. What will happen if these expenditures are curtailed, or when peace is declared, no one can foretell. Personally, I am hopeful of prosperous business conditions being continued for some time during the readjustment period after the war.

"In this connection, the desirability of the extension of Canadian trade in all directions during the period of post-bellum reconstruction, either through Commercial Intelligence Agents, acting directly for the Government or a Board approved by the Government, should not be lost sight of.

"Since I last addressed you, the scourge of war has continued with unabated violence. The number of belligerents has increased; fortunately, they are all accessions to the side of the Allies.

"The entry of the United States into the conflict, though tardy, is whole-souled, and with their enormous resources in men and money, which are being given generously and unhesitatingly to the Allies, cannot but be an important factor in bringing the war to a speedy and successful conclusion.

"No one can tell how long the war will last. The imperative need, therefore, for efficiency and increased production, together with economies in all public and private expenditure is obvious and cannot be repeated too often or urged too strongly.

"The unbounded prosperity of Canada, to which I referred a year ago, is fully reflected by the abnormal trade figures.

"In the seven months to October 31st last, the aggregate value of imports and exports was $1,586,616,000, or $273,000,000 more than in the corresponding period of the preceding year. Eliminating the item of coin and bullion, as well as that of foreign produce in transit through Canada, our foreign trade was $1,550,000,000 for the period as compared with $1,084,000.00 last year, an increase of fifty per cent.

GROWING PUBLIC DEBT.

"The net public debt of Canada has assumed large proportions, now amounting to $948,000,000, exclusive of guarantees, and is growing at the rate of $1,000,000 daily. Large as these figures are, they must continue to grow while the war endures, and some concern is being shown as to how they are to be provided for.

"The recent Victory Loan, so splendidly taken up by all classes of the people, should suffice, with the surplus on consolidated revenue account, to meet the financial requirements of the Government until well on to the end of next year, before which time many things may happen. What is now imperatively required is that no unwise expenditures be made, no new financial obligations undertaken, and that the burden of taxation be distributed equitably.

"Whether our debt is to be included in a huge Allied funding operation, or we provide for it by funding our own liabilities, is a matter that need not concern us at the moment.

"Our country is one of the most productive in the world. Our gold holdings per capita almost equal those of the United States. Our natural resources are unbounded and our credit is irreproachable. There are no doubt difficulties and anxieties ahead which we shall still have to face, but I think we may look forward with confidence to providing without undue strain for the burden of our patriotic endeavor."

THE GENERAL MANAGER'S ADDRESS.

Sir Frederick Williams-Taylor, the General Manager of the Bank, then made his annual address, as follows:

"Mr. Chairman and Gentlemen,—I feel it a great privilege to present to-day for your approval the centenary balance sheet of the Bank of Montreal.

"Coincident with this anniversary, our President, Cir Vincent Meredith, has completed fifty years of uninterrupted service in this Bank, and it is fitting that we should extend to both our heartiest congratulations.

"As the President has dealt with the banking and financial situation in general terms, my preliminary remarks will be confined to specific incidents and influences bearing upon the business of your Bank.

"Above all other events the entry of the United States of America into the war stands paramount and bears upon the Canadian economic and banking position with a force the effect of which is only now commencing to be felt.

"Shortly after the outbreak of war Wall Street, as every one knows, took the place of the London market for our country's public loans, and continued in that place until a few months ago. Now the influx of American capital is scanty, the inflow of borrowed money from the United States—which we had come to look upon as a matter of course—is suspended, it may be until the end of the war, and Canada is 'on her own.'

"In other words, little money is coming into Canada, except in payment of exports, and, therefore, for the first time since Confederation the Dominion is cast upon her own financial resources.

"By some this will be regarded too seriously, by others not seriously enough. Actually, the stoppage will have far-reaching consequences. On the one hand, industrial development will be checked, but on the other hand the inability to borrow may prove a blessing in disguise, once we have adjusted our affairs to the changed conditions. It is surely well for us to learn to do without financial assistance, especially as the country at large already has a debt abroad, the interest on which runs into the great sum of about $500,000 per day. So long as the stream of money flowing into the country was uninterrupted, it was difficult, if not impossible, for our people to see the necessity for economy. Personal extravagance is still conspicuous in many directions, but presently economy will become general—from high motives, we hope; if not, then from stern necessity.

"It is true that the development of Canada could never have reached its present stage but for moneys borrowed abroad, and, therefore, Canada is grateful, first, to Great Britain, and, secondly, to the United States, for the help they have thus contributed to the remarkable progress which our country has made, particularly during the past twenty years.

"It is, however, equally true that our misuse of borrowed money is in great measure responsible for some of the chief evils that have come upon us. I refer especially to the inflation which before the war started the increase in the cost of living, and to the creation of debt unrepresented by productive investment. Now that the inflow of money is suspended we must pull ourselves together, practise economy, till the soil, produce to a greater extent the manufactured goods we require for our own use, until in the fullness of time we emerge a wiser and a better people in a sounder economic position.

"Having learned our lesson, this is clearly no time for us to brood over the errors of the past score of years, but rather to take stock of our resources, and with stout hearts to set about the work of conservation and rehabilitation.

"At the beginning of this Armageddon, England admittedly made mistakes that would have demoralized any other nation. These mistakes have been corrected, until to-day the British Empire has an army in the field whose equal in combined morale, size, equipment, organization, tenacity of purpose and fighting qualities the world has never known. Canada has played no inconspicuous part in this re-creation, and we shall be equally successful in recovering our economic balance.

"We are the fortunate possessors of a splendid, healthful and beautiful country, abounding in natural wealth; and, what is equally important, we can properly claim to be a virile, industrious and ambitious people.

QUICK ASSETS.

"Thanks mainly to the soundness of our banking system and to the healthy condition of our banks, Canada can still hold up her financial head. Our own Bank's ratio of quick assets to liabilities is 75½ per cent., compared with 75 per cent. a year ago, and 64 per cent. the preceding year.

"We have heard it remarked by certain friends that the Canadian banks are too strong, and your own Bank particularly so; but permit me to express my clear conviction that the sheet anchor of our Canadian national ship is the Canadian banks, and that anchor must be strong to hold against wind and tide. The Banks have kept strong in an endeavor to prevent currency inflation, while at the same time they have made war advances to the Canadian and Imperial Governments to an amount that would have been regarded as impossible three years ago. Such advances are naturally included among liquid assets. The loans made by the banks to the Canadian and Imperial Governments have enabled the business of the country to be carried on to an extent otherwise impracticable.

"Those of us who are responsible to you trust that you are satisfied with our judgment as to the percentage of liquid strength that we consider essential in these times. Of one thing you may be sure, our strength is not at the expense of our commercial business, which we are always ready to extend to meet the requirements of the Bank's customers."

APPRECIATION FOR STAFF.

Mr. C. P. Hosmer moved, seconded by Mr. George B. Fraser, that the thanks of the meeting be tendered the General Manager, the Assistant-General Manager, the Superintendents, the Managers and other Officers of the Bank for their services during the past year.

In presenting this motion, Mr. Hosmer said:

"I have much pleasure in proposing a vote of thanks to the General Manager and Staff for the efficient and devoted service rendered the Bank by them during the past year.

"We all know of the many changes that are constantly occurring in the personnel of the staff, owing to the large percentage who have so eagerly responded to their country's call: older and tried members being replaced by new and inexperienced ones, and yet the intricate work of the Bank in its many ramifications throughout the country runs along smoothly.

"Many of us wonder how the staff copes with the deluge of extra work that the Victory Loan and other similar transactions throw upon them; that they do so efficiently is a great tribute to the Management, who have built up a highly trained and elastic organization whose every member is ready to not only assist and direct the newcomers, but has also willingly shouldered an immense amount of extra work which frequently must have taxed their endurance to the breaking point." (Applause.)

The motion was unanimously adopted, and was responded to by the General Manager, Sir Frederick Williams-Taylor, as follows:

"I beg to express to you, Mr. Hosmer, and to you Mr. Fraser, my own thanks and the thanks of the Assistant General Manager, the Superintendents, Inspectors, Managers and Staff generally for the complimentary terms in which you have been good enough to refer to our services during the past year.

"The strain that came upon us all with the war becomes more severe as time passes, but, needless to say, is borne most cheerfully.

"As an indication of the extent to which our male officials enlisted, I may mention that 42 per cent. of our present staff are women clerks.

"Both our men and women clerks have worked ungrudgingly early and late, with but the briefest holidays, actuated by a high sense of patriotism and by an admirable sense of duty to our Bank. It may truly be said that we enter this, the second century of our institution, with a staff whose loyalty has never been surpassed, not only in our history, but in the history of the business corporations in this country.

"As for our splendid contingent with the colors, they are above praise. We follow their future in France with anxious pride, and will welcome them back when the war is won. Many have been wounded. Over one hundred lie under the reeking sod of shattered Flanders. The names of these splendid patriots will stand forever both in the records of our Bank and of our Empire which they have served so well. It would be remiss not to refer to the great loss we have sustained in the recent death at the front of Captain David Jellett Barker. I can find no words with which to express my personal regret, while to the Bank and his country the untimely closing of a career such as his is deplorable, indeed."

ELECTION OF DIRECTORS.

The ballot for the appointment of Auditors and the election of Directors for the ensuing year was then proceeded with. The Scrutineers appointed for the purpose reported that Messrs. James Hutchison, C. A. J. Maxtone Graham, C.A., and George Creak, C.A., were duly appointed Auditors, and the following gentlemen duly elected Directors:

D. Forbes Angus, R. B. Angus, J. H. Ashdown, H. W. Beauclerk, Colonel Henry Cockshutt, H. R. Drummond, G. B. Fraser, Sir Charles Gordon, K.B.E.; C. R. Hosmer, Harold Kennedy, Wm. McMaster, Sir Vincent Meredith, Bart.; Major Herbert Molson, M.C.; Lord Shaughnessy, K.C.V.O.

The meeting then terminated.

At a subsequent meeting of the Directors, Sir Vincent Meredith, Bart., was re-elected President, and Sir Charles Gordon, K.B.E., was re-elected Vice-President.

NEWS OF SECURITIES

Continued from page 4

the company's position from the standpoint of the shareholders, it is significant of the whole situation in that city that the news failed to stimulate the market. There were no sales registered in the Canadian exchanges and the stock remains behind the barrier of the minimum regulation, no sales having taken place for a month. It would appear that the revival of the issues between the company and the city has had the effect of depressing investment opinion.

NORTHERN OHIO ELECTRIC.

Gross earnings of the Northern Ohio Traction and Light Company for the month of October amounted to $545,046 and showed a substantial increase over the same month of 1916 when the total was $450,264; the increase amounted to $94,782. However, such was the increase in the operating expenses, from $262,505 to $360,551, that, after deductions of these and other amounts, the net income was actually lower, being $107,040 compared with $112,938. Comparative figures follows:—

	1917	1916
Gross earnings...	$545,046	$450,264
Oper. expenses...	360,551	262,505
Gross income	184,494	187,758
Deduct. gross earn.	77,453	74,819
Net income	107,040	112,938
Pref. stock div....	24,450	23,127
Balance	$62,590	$89,811

For the year to the end of October the gross earnings are larger by nearly $1,000,000 but the increase in the net income is only a little over $80,000. Such is the effect of the rising costs of operation.

TRINIDAD ELECTRIC.

The October statement of the Trinidad Electric Company shows gross earnings of $23,181 and net of $9,164. In September the figures were $22,768 and $9,209 respectively. The fact that the increase in the receipts is not indicated in the profits is further evidence of the effect of the rising costs of operation on electric railway and other public utility corporations. Following are the October figures:—

	Gross	Net
Railroad	$10,514	$3,973
Light and power..	9,720	4,633
Ice and refrig......	2,946	557
	$23,181	$9,164

DULUTH-SUPERIOR.

Gross passenger earnings of the Duluth-Superior Traction Company for the month of November reached a total of $138,098. For the same month in 1916 the figure was $122,838. The increase was $15,259 or 12.4 per cent. For the year to the 1st of December the total earnings were $1,448,844 compared with $1,259,238 for the corresponding period last year. The increase for the eleven months was $189,605 or 15.1 per cent.

The directors have declared the regular dividend of 1 per cent. payable January 2nd to shareholders of record December. There have been no sales of the company's common stock since last report. Ten shares changed hands last week at 42¼ or ¼ point above the official minimum. With a continuance of the 4 per cent. dividend, and the company in a comparatively good position, this price may be taken as an indication of the spirit in which public utility stocks are regarded at the present time.

B. C. ELECTRIC.

The report which has been issued as a result of the investigation of Dr. Adam Shortt into the transportation situation of the B.C. Electric Railway in the cities of Vancouver, New Westminster and Victoria, will probably mean the elimination of the jitney 'buses in these cities. Dr. Short recommends the reduction of lighting rates, the abolition of transfers from city to interurban lines, no change in the price of city fares, and the elimination of the jitneys. He also suggests that a public utilities commission be formed for the purpose of investigating and supervising the actions of all public service corporations in the province. Dr. Shortt in his report says that under the present condition of competition with jitneys and public 'buses, it is impossible for the railway to maintain an efficient service. The financial condition of the B.C. Electric as regards its street railway system, he says, is impossible of continuance on the basis of the last three years, or the immediate prospects of the future. In his reference to the utilities commission. Dr. Shortt says: "If properly constituted. the commission will be able to furnish well-matured and just regulations and decisions alike, for the general administration of the various public utilities as for the adjustment of special grievances and claims as to rates and conditions of service in accordance with what may be the most expedient in the public interest."

BARCELONA TRACTION.

An improvement in the market for Barcelona Traction was indicated this week, when a sale of ten shares of stock was made at 9¾. Last previous sales a fortnight ago were at 8½, while the low of the recent depression was 8. Late quotations are 9¾ asked and 9 offered.

QUEBEC RAILWAY.

A few shares of Quebec Railway common changed hands this week at 15, the minimum price prevailing for this stock. There have been no important developments recently in regard to the affairs of the company, and it is not likely that there will be anything definite regarding the negotiations for the sale of the Saguenay line for some time. In this connection the oncoming elections may prove an important factor.

TORONTO RAILWAY.

Trading in Toronto Railway, the minimum 60, has been light during the week, but there has been more interest displayed than for several weeks, and in this connection the declaration of the dividend at the usual rate for the quarter, as predicted by THE FINANCIAL POST last week was, no doubt, a factor. The future policy in connection with the dividend continues uncertain. It will be noted that, according to an article in another column, there are indications in Montreal that there will be a contest for control at the annual meeting, with the Montreal factor endeavoring to oust some of the present members of the board.

Toronto Railway earnings for November were $537,505, an increase for the month of $47,518. For eleven months the figures were $5,623,235, an increase of $267,125. Of the November returns the share paid to the City of Toronto was $55,823, an increase of almost $7,000 over the amount so paid in 1916.

Shareholders of Toronto Railway will no doubt be interested in the hearing before the Commission at the Ontario Parliament Buildings of the action of the Hydro Commission in relation to the contract rights of the Electrical Development Company. The outcome was the suggestion that an expert be appointed to decide whether the company was using more water than necessary to develop the power provided under the charter, and that in this event the surplus be sold to the commission. The company was not represented at the hearing, taking the ground that the interpretation of the contract is a matter for the courts and not for a commission.

WINNIPEG ELECTRIC.

Winnipeg Electric continues to take advantage of the shelter of the minimum market, there having been no transactions for a couple of weeks. The minimum 48 is being asked, but does not interest buyers.

LIGHT AND POWER

WESTERN CANADA POWER.

The Western Power Company of Canada, Limited, reports October operating revenues $40,775, increase 17.2 per cent., per cent., compared with October, 1916. and net earnings $30,227, increase 37.1 Net earnings for twelve months ended October 31 last totalled $338,378, increase 34.1 per cent. over previous year. Interest on bonds and debentures is now at rate of $285,000 a year.

ELECTRICAL DEVELOPMENT.

The contract of the Electrical Development Company, under which it takes water from the Niagara River for the development of electrical energy, and about the interpretation of which questions have been raised was considered before a commission of judges at the Parliament Buildings this week. The contention of the Hydro Commission is that the figure of 125,000 horsepower refers to the peak load or the limit which the company has power to develop while the company's argument is that the reference is to power for commercial purposes which should be on an average basis. Sir William Meredith, one of the members of the Commission, suggested that the opinion of an independent expert be obtained as to whether there was a wastage of water in the development of the power and that any excess development should be turned over to the Commission at a price to be agreed upon. The Development Company was not represented at the hearing but a firm of bankers at Grand Rapids, which had handled some of the bonds of the Toronto Power Company was represented by counsel. The company's attitude is that the matter should be decided by the courts and not by a Commission.

WESTERN CANADIAN GAS.

The annual report of the Canadian Western Natural Gas, Light, Heat and Power Company for the year ended September 30, 1917, shows the best record in the company's history. Total sales were $991,320, as against $897,995 in 1916, an increase of 10.4 per cent. Two new wells were drilled last year, and three this year. Net earnings amounted to $198,738, which, with the balance of the former year, brought the total profit and loss credit to $268,238.

CIVIC INVESTMENT.

Trading in Civic Investment dropped to an unusually low level this week with the total shares for several days in the neighborhood of 25. All transactions were at the minimum of 68½.

CONSUMERS GAS.

Consumers' Gas showed a firmer tone this week there being a few sales at 150 which stands against the minimum of 147.

SHAWINIGAN.

Sales of Shawinigan during the week have been running under 100 shares per day and one day showed only 10. All transactions have been at the minimum of 107.

OTHER STOCKS

Few Spots in the List Which Show Any Improvement on the General Dullness.

So far as the general stocks are concerned there are few indications of any brightness in the dullness of the whole list. For the most part what trading is taking place is at the minimum and there it is not difficult to find evidence that were it not for the artificial prices there would be further reductions. There has been no revival of interest with the passing of the Victory Loan and there are no indications that there will be in the near future. The elections are having a depressing effect but apart from this the fact remains that people have little money for investment except in the most conservative propositions and that the banks as well as conservative investment houses are discouraging anything like speculation in the period of uncertainty when the nation's financial resources must be mustered to the cause of production, transportation and general interests.

ARENA GARDENS.

That the Arena Gardens Company has lost $40,000 in the last three years was a statement made in the Toronto court of revision when a reduction of the assessment of $202,175 was asked on the ground that the building occupied a "dead" block. The company in which Montreal capitalists are largely concerned as well as a number in Toronto has $250,000 of preferred stock outstanding and a similar amount of common while there is a funded debt of $800,000.

CAPE BRETON COAL.

A meeting of the bondholders of the Cape Breton Coal, Iron and Railway Company, has been called in London for December 21st to consider a resolution further postponing the payment of interest for a period of two years after the declaration of peace between England and Germany. Interest for the years 1915, 1916 and 1917 has already been postponed.

CITY DAIRY.

As yet officials of the City Dairy Company are not prepared to express an opinion as to how the recommendations of the Milk Committee to the Food Controller will affect the company's position in the event of such recommendations being brought into effect. C. B. McNaught, the president, states that he has not yet had an opportunity of studying the report and that until this can be done thoroughly it will not be possible to express a definite opinion as to how the position of the shareholder may be affected. However, he does not consider there is any ground for apprehension, being of the opinion that the Food Controller will act intelligently in the matter and will recognize that where the distribution is being made in a thoroughly efficient manner there must be allowance made for sufficient profit to encourage the maintenance of the industry.

From a copy of the report which has reached THE FINANCIAL POST it is noted that the committee justifies the price being paid to the producer but claims that there is an excessive spread in certain localities between the figure paid to the producer and that paid to the distributor. It is recommended that the spread be regulated in the different provinces. In this connection it is noted also that while the recommended spread is 5 cents per quart in the province of Ontario, the present spread in the city of Toronto is only 5¼ cents per quart—and there would seem to be ground for the argument that the cost of distribution is actually larger in a big city than in a town where the source of supply may not be so far distant, where the area of distribution is so much less and where wages and other expenses are also less.

W. J. Northgrave, the manager of the company, has recently been made a member of the directorate.

CANADA BREAD.

Canada Bread securities have not been dealt in during the week. Recent quotations indicate 14½ asked for the common, which is not protected by a minimum figure, as against last sales at 13 a fortnight ago. The appeal of Food Controller Hanna to the Canadian bakers to consider means for the reduction of the consumption of wheat in the country is of interest to the shareholders of the company, but it is not likely that steps will be taken which will very materially interfere with earnings. The Food Controller, however, points out that the United States has no wheat available for export, and that the needs of the Allies must be largely supplied by Canada. It is hoped to reduce the consumption in the United States by one-fifth, and Canadians are called upon to do their duty to the cause similarly. Whether this will mean that there will be a "standard" flour established remains to be seen, but practical millers and makers of bread are of the opinion that little is to be gained in this way, and that any advantage will be lost by the disorganization of the milling industry which will result.

IMPERIAL TOBACCO.

The net profits of the Imperial Tobacco Company of Canada, of which Sir Mortimer Davis of Montreal is the president, amounted to $2,455,224 for the year ending Sept. 30 last, an amount somewhat smaller than the preceding record-breaking period. After preferred and ordinary dividends, the surplus for the year was $343,274, which brings the total surplus up to $1,328,704, or close to $100,000 above that of last year. The lower profits are attributed to the largely increased cost of material and labor. The balance sheet shows cash in bank $686,716, and total assets of $39,314,859.

MACDONALD.

Macdonald common was traded in this week at 13½. These were the first sales in a month, and they were at the official minimum.

MACKAY.

After the strong movement referred to last week when several points were gained Mackay common has eased off and a decline from 76 to 74¾ is shown by the sales. However, a substantial portion of the gain was retained as shown by the fact that a low point fractionally under 70 was touched a couple of weeks ago. The preferred, which sold up to 63, has declined to 60, having lost all the gain indicated.

ROGERS.

Wm. A. Rogers preferred sold this week at 90, the sales being the first since the middle of November, and the price unchanged. The official minimum for this stock is 85, but there have been no transactions below the figure referred to.

RUSSELL MOTOR.

It is expected that the new Buffalo plant of the Russell Motor Car Company, which was secured to handle the contract obtained by the company from the United States Government, will be ready for operation in January. At present a force of men is at work erecting the machinery. In Toronto the shell plant is running on the new 6-inch shell contract, but the fuse plant is idle and there is no indication as yet of new orders being on the way. The Canada Cycle & Motor Company's plant at Weston is reported to be operating in solid fashion on regular lines.

There have been no transactions in Russell shares during the week.

TWIN CITY.

Twin City common, being one of the utility stocks dealt with on the Canadian exchanges which is not protected by the minimums, has registered weakness this week in a further decline of two points and more. Sales have been made recently at 67½-67, as compared with a range of 73¼-68¼ last week. This decline comes in the face of the declaration by the directors of the 1½ per cent. dividend on the common stock and 1¼ per cent. on the preferred stock payable January 2nd to shareholders of December 14th.

The company is having some difficulties with its employees and recent despatches have described rioting in which a number of cars were wrecked. Late news is to the effect that the War Department has been asked to take steps to effect a settlement of the difficulties by representatives of the unions.

It is reported that a trade agreement between Switzerland and United States has been reached, finally disposing of economic problems which had been causing considerable anxiety.

London reports national war bond sales by the banks for the week ending December 1 totaled $65,130,000, and $1,425,000 by the post offices for the week ending November 24. Aggregate reported to December 1 was $653,370,000. Last week's total exceeded the previous week by $3,000,000.

For Guardianship

The guardian of an infant's estate ought to have facilities for obtaining income-producing investments. Write for Booklet.

National Trust Company-Limited

Capital paid-up. $1,500,000
Reserve $1,500,000

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TORONTO

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Company, Limited
Capital $2,000,000

Head Office Toronto

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F. E. Mutton, Vice-President and General Manager

GETS OPTION ON LARGE TRACT OF LAND IN NORTH

British Columbia Land Settlement Board Considers Important Purchase.

DISCOURAGES FARM LOANS

Will Only Advance Money When It Can Be Shown That Increased Agricultural Production Will Result.

At a meeting of the Land Settlement Board of British Columbia this week, consideration was given to the proposal to acquire a large block of land in the northern interior of the province for settlement purposes.

Pursuant to the powers conferred upon it by the legislation passed at the last session of the B.C. Legislature and in line with the policy which the board has inaugurated looking to the development of the agricultural industry of British Columbia, the Land Setlement Board has secured an option upon some 40,000 acres of first-class land in the Kispiox, Bulkley and Nechaco valleys and Stewart Lake district. If secured the lands will be thrown open to development under the direction of the board. The chairman, Mr. W. Maxwell Smith, stated that with the organization of the work of the board and the getting under way its operations, attention is now being paid to a number of development schemes which will, he believes, result in a decided impetus to the development work to accelerate which the board was organized.

Farm Loans.

Just what disposition will be made of the lands and in what way, if the transaction is completed, the area will be handled remains to be definitely determined.

Recently the other members of the board who have been making an inspection of various sections of the province whence applications for farm loans have been received met in Victoria and discussed the progress of the work. When the body took over the duties of the Agricultural Credits Board there were many applications for loans pending. Practically all of these, together with many more applications sent in since the new body initiated its work, have been considered and valuations made of the property offered as security, but the policy of the board hitherto has been to discourage borrowing except in such cases as meant actual increase in production, the attitude being that under existing financial conditions only such borrowings as are absolutely essential should be encouraged.

NOVEMBER BUILDING.

Reports from Several Points Indicate a Falling-Off.

At St. Thomas only three building permits were issued during November, these amounting in all to $2,400.

At Brantford 22 permits were issued at a total value of $25,335, which was a gain of $15,390 over last year. For the eleven months the value of permits issued was $137,280, a decrease of $139,662.

Permits for the first eleven months of 1917 issued at Chatham were $356,897, comparing with $292,709 last year.

In Toronto 351 permits of a value of $418,019 were issued in November, as compared with 398 permits of a value of $948,026 in November 1916. For the eleven months, however, there was a gain of over $300,000.

Shall Those Who Will Not Fight for Canada Govern Canada?

The Business Men of Canada Will Answer at the Polls

The Canadian people have just subscribed over

$400,000,000

to keep Canada in the war, to reinforce the decimated regiments in France and to assist in defeating a brutal and merciless foe.

Are we to turn this money over to a government dominated by Bourassa; by mobs that will not allow Canadian patriots to hold a public meeting in Quebec; that are organizing to prevent the wives, mothers and sisters of soldiers voting on December 17th; that jeer at wounded men coming home from the cruel ordeal of battle: that are essentially in league with German emissaries and domestic traitors?

Are those who will not fight for Canada to govern Canada and to control the millions which patriots are giving for the defence of Canada? It doesn't sound like a good business proposition!

If Sir Wilfrid Laurier gets a majority in the election, three out of every four of his supporters in the new parliament will be against the war; against sending reinforcements to France; against relief for the men who are fighting and dying for the safety of Canada and the integrity of the Empire.

Are you for the flag or for the mobs; for your boys or their foes; for party or for country?

If our Canadian boys are deserted and betrayed they will come home shamed and humiliated, if they care ever to set foot on Canadian soil again.

There are 82 Constituencies in Ontario. If they unite with the Western and Atlantic Provinces in support of the Union Government, it cannot be defeated. If they do not, Quebec will exercise a dictatorship over the other Provinces; French nationalism will express the spirit and the resolve of Canada; the army will not be reinforced; the Military Service Act, which would have forced Quebec to do its duty, will be repealed; a Laurier Government, if it does not join in the pro-German demand for peace without victory, will renew the appeal for volunteers, which will be fruitless unless the other Provinces continue to give the men which Quebec will not supply voluntarily, and tens of thousands more than those Provinces would need to give a draft enforced fairly and equally throughout the Dominion.

Issued by the Union Publicity Committee.

INFLUENCE OF THE GERMANS IN NEUTRAL BANKS

Holland, Switzerland and Sweden Know Teuton Systems

ARE AID TO ENEMY

These So-called Neutral Financial Organizations Have Been Facilitating the Business of Allies' Foes.

Before the war it was well known in London banking circles that not a few of the leading banking and financial institutions in Holland, Sweden, and Switzerland were practically German concerns, controlled and financed by Germans, and utilized by them to further German interests. In very many cases the directors were Germans, and in other cases German nominees.

Since the outbreak of war, writes a banker in the *Pall Mall Gazette,* these so-called neutral banks have been largely utilized by the enemy as a cover for various financial operations, especially in regard to the disposal of foreign securities held by the enemy in August, 1914, or later, the collection of dividends payable in London on German-owned securities, and like purposes. They transacted a vast volume of business of this kind for Germany prior to and immediately after the outbreak. Even Italian banks were utilized in this way up to the time of Italy joining the Entente.

In the case of the neutral banks, the personnel of various directorates has in some instances been changed since war was declared; but inside knowledge justifies the assertion that in such cases the new directors, if not actually Germans, are German nominees. Certain of these nominees, moreover, are known to be intimately associated with German financial institutions within the German Empire.

Neglected Warnings.

As the law now stands, the London banks were to attempt to treat these called neutral banks as such, although they know their bona fides may not bear investigation. But if the London banks were to attempt to treat as enemy banks, as they are to all intents and purposes, such action would bring a hornet's nest about their ears.

To have effectively checkmated these banks, and so thwarted Germany's plans, action should have been taken long ago by the British Government, who were warned three years back, and many times since, of the use to which the enemy was putting them. No action was, however, taken until the Germans had had free and ample opportunity to dispose of millions of foreign securities. The slump in Stock Exchange quotations for these securities late in 1914 proves how largely Germany unloaded immediately before and after the declaration of war.

Even now a great mass of bonds and kindred securities, formerly owned by Germans, are the property by purchase of these so-called neutral banks or their clients, who cash their coupons regularly in Holland, where, by the terms of the bond, they are payable, the signing of a very elastic declaration being all that is necessary to secure payment.

We no longer recognize the right of a purchaser of bonds owned by Germans since the outbreak of war to collect dividends on such securities. But how are we to enforce this?

It is not "too late" now for the Government to call a meeting of London banks—issuing banks and joint stock—to discuss the present situation, and also the future. Consultation on these points would probably be fruitful of practical and highly valuable results. Political considerations are inextricably wrapped up with financial considerations.

The Need of a Conference.

The desirability, and, indeed, the necessity of holding such a conference at an early date are emphasized by the extreme likelihood of a commercial or economic war against the Central Powers, especially Germany, following the declaration of peace. If these so-called neutral banks in Switzerland, Holland, and Sweden are to be allowed a practically free hand, they will be able to play Germany's game as heretofore, and check, if they do not altogether nullify or frustrate, the Allies' plans.

Such a conference is further necessary because of the importance of amending the terms and conditions under which foreign loans have hitherto been floated and subscribed. We are not half so strict as France in regard to foreign loans. The French Government will not allow a foreign loan to be raised in France unless the loan is expended in France in the manufacture or purchase of material.

In England, however—to take a specific instance—several millions have been raised by the Argentine for public works, notably railways. The contracts for the rails, rolling-stock, etc., have been nominally given to Dutch contractors, but in the vast majority of cases the goods have been "made in Germany," shipped via Holland, and paid for in English gold. The contention is that it should be stipulated that, in the case of such loans, the goods should be "made in England." By so doing, we should simply be bringing our financial and foreign loan policy into line with that of France.

IRON AND STEEL.

Figures of Production for First Nine Months of Year.

The Mines Branch of the Department of Mines, Ottawa, has received from the producers complete returns of the production of pig iron in Canada, and, with the exception of two small plants, complete returns of the production of steel ingots and direct steel castings during the first nine months of 1917.

The total production of pig iron during the first nine months was 895,307 short tons, as against 844,717 tons during the first nine months of 1916. The average monthly production in 1917 was 99,478 tons, as against an average monthly production throughout 1916 of 97,438 tons.

The total production of steel ingots and direct castings during the first nine months was 1,265,183 short tons, as against 911,054 tons during the first nine months of 1916. The average monthly production during the first nine months of 1917 was 140,576 tons, as against an average monthly production throughout 1916 of 106,268 tons.

The production of steel in electric furnaces included above was 30,960 tons during the first nine months of 1917, as against a total of 19,639 tons produced throughout 1916. The production of steel in electric furnaces in September was over 5,000 tons, or at the rate of over 60,000 tons per annum.

Of the thirteen billion dollars that will be required for the legislative year in the United States during 1918, the item "military establishments" comes first with $6,615,936,553 and "naval establishment" ranks fourth with $1,014,077,502.

CATTLE SUPPLY COMPANY.

Creditors Called, Following Wind-up Order of the Court.

As forecast in these columns some weeks ago, an order has been granted in the Supreme Court of Ontario for the winding up of the British Cattle Supply Company and creditors are being asked to send in their claims.

This was the project for the establishment of an immense ranch in Western Canada on an area of about 500,000 acres, but difficulties arose as to financing owing to the depression in the money market, and also in connection with the negotiations for the properties. Very little stock was applied for by the public.

"CHEESE PARINGS AND CANDLE ENDS."

That happy, careless, wasteful America will learn thrift by saving "cheese parings and candle ends" if the war lasts long enough, is the dictum of Thomas W. Lamont, of J. P. Morgan & Co., who says in *The Nation's Business:*

We are learning Thrift from Want—the same great taskmaster that taught it to Europe long ago. And the result will be, if the war continues, a pronounced, far-reaching change in many of our habits of life, our manner of thought, and our whole way of looking at things.

Thrift is not, and ought not to be, a forced and artificial economy deliberately resolved on and carried out by a nation. Rather, thrift is an attitude of mind caused primarily by circumstance, and continued and increased by resolve.

Thrift does not mean stripping life of all relaxation, and all beauty. It means no fanatical, puritanical extremes of self-discipline. It means rather something of the idea that underlay the civilization of ancient Greece—the ideal of national temperance in all living. It calls for well considered conduct of thought and of living. It does not mean that the world will be a Utopia, but merely that the standards of the average man and the orderliness of his life will be raised. Thrift, then, is not saving and conserving merely, but something far more significant—self-control and self-denial and temperance; qualities that mean more in terms of sheer national wealth than all the gold that was ever mined.

Stock Movements of the Week

Week ending December 6th.

	Ask.	Bid	High	Low	Min.
Banks—					
Commerce	185	182½	182½	...	185
Dominion	202	...	202	...	202
Imperial	185	...	185	...	185
Merchants	167	...	168	...	167
Royal	205	...	208	...	208
Union	137	136	137	...	136
Transportation—					
Barcelona Traction Co.	9¾	9	9¾	...	...
Brazilian Traction	32	...	32	...	32
Canada Steamships, pref.	76	...	76	...	76
Canadian Pacific	133	132	132¼	132	...
Quebec Railway	15	...	15	...	15
Toronto Railway	...	60	60	...	60
Twin City, com.	67	...	67½	67	...
Telegraph, Light and Power—					
Bell Telephone	130	...	130	...	130
Consumers Gas	...	148	150	...	147
Civic Investment	68½	...	68½	...	68½
Mackay, common	75	73½	76	...	...
Do., pref.	63¾	60	60	...	...
Shawinigan W. & P.	117	...	107	...	107
Industrials—					
Canada Cement, common	57½	...	57	...	57
Do., pref.	90	...	90	...	90
Can. Car, common	18½	...	18½	...	18½
Do., pref.	50	...	49½	...	49½
Can. General Electric, common	101½	...	101½	...	101½
Dominion Bridge	128	...	128	...	128
Dominion Steel Corp.	52½	52	53⅝	53½	52
Dom. Textile, common	80¾	...	80¾	...	80¾
Lake of the Woods Milling, com	120⅛	...	120⅛	...	120⅛
Laurentide	...	...	152	...	152
A. Macdonald, common	13½	12½	13½	...	13½
Maple Leaf, common	95	90	95	93	98½
Do., pref.	...	92	92	...	92
Riordon Pulp, pref.	...	...	92	...	92
Wm. A. Rogers, pref.	...	...	90	...	85
Steel of Canada, common	50¼	49⅛	50½	50	49½
Do., pref.	85	84½	85	84½	85¼

CANADA BREAD COMPANY, Limited

HEAD OFFICE, TORONTO

ANNUAL STATEMENT, 1917

BOARD OF DIRECTORS

Cawthra Mulock, Esq., President Mark Bredin, Esq., Vice-President Geo. Weston, Esq.
H. C. Tomlin, Esq. W. J. Boyd, Esq. Alfred Johnston, Esq. E. H. Laschinger, Esq.

GENERAL MANAGER'S REPORT

I herewith submit for your consideration the Financial Statement of the Company for the year ending June 30th, 1917.

Our statement shows that at the close of our business year we had on deposit in the banks, cash to the amount of $550,701.62 divided as follows: $284,788.56 being upon current account; $164,002.22 on capital account held for purposes of extension, and $101,910.84 depreciation or replacement account, while to the credit of the latter account we also hold War Bonds to the amount of $98,089.16, so that our finances continue in a strong position.

During the year our trade has passed through the greatest fluctuations of prices within modern times; this statement also applies to the fluctuations that have taken place in the price of wheat and flour. On July 2nd, 1916, being the first day of our financial year, wheat was selling about $1.20 per bushel, and is to-day $2.21, this price being fixed on No. 1 Northern by the Commission of Grain Supervisors. Flour on July 1st, 1916, was selling at $6.50 and $6.00, 1st and 2nd Patent, and July 2nd, 1917, was selling at $12.90 and $12.40; while on May 10th prices on wheat had soared to $3.10 per bushel, and flour was selling at $16.50 and $16.00, respectively.

These figures convey some idea of the very great fluctuations which took place in the prices of wheat and flour, and which naturally had to be followed by changes in the price of bread.

On July 1st, 1916, we were retailing a 24-ounce loaf at .06c and to-day it is retailing at .11c and had been selling at .12c for a short time. Ordinary fluctuations in flour cannot be expressed in the price of bread for the reason that it requires an advance or reduction of about $2.00 per barrel in the price of flour to warrant an advance or reduction of .01c per 24-ounce loaf.

The character and methods of conducting our business are likely to undergo many changes during the present year. We are to-day and since the month of May making monthly returns of the conduct of our business to the Labour Department at Ottawa.

There is also the decision arrived at that the millers are not to sell flour for more than 30 days' delivery; this means a new condition to our trade, as for years we have been in the habit of making our purchases for the year, about the month of October, or whenever our judgment dictated the prices of flour to be at the lowest point of the season.

It is a pleasure for me to once more express my appreciation to our several managers and their staff of assistants, to whose splendid efforts and services the successful operation of our company for the past year is in a great measure due.

Respectfully submitted,
MARK BREDIN,
Vice-President and General Manager.

Canada Bread Company, Limited

TORONTO MONTREAL
WINNIPEG

Balance Sheet as at 30th June, 1917

ASSETS.

Active		$ 506,660 06
Cash on Hand and Drivers' Change	$ 818 68	
Cash in Banks on Current Account	284,788 56	
Accounts Receivable	66,396 01	
Stocks of Ingredients and Supplies	149,105 83	
Taxes, Insurance and other Expenses Prepaid	5,550 98	
	$ 506,660 06	
Invested		5,097,620 89
Cash with Banks and Trustees for Extensions	$ 164,002 22	
Restoration Fund War Loan Investments	200,000 00	
Land, Buildings, Equipment, Goodwill, etc.	4,733,618 67	
	$5,097,620 89	
		$5,604,280 95

LIABILITIES.

Current		$ 204,600 54
Creditors	$ 182,693 09	
Wages Accrued	7,523 80	
Tickets Outstanding	14,383 65	
	$ 204,600 54	
Bondholders		1,212,749 50
First Mortgage 6% Gold Bonds	$1,182,700 00	
Accrued Interest	30,049 50	
	$1,212,749 50	
Capital Stock		3,750,000 00
Preferred Shares	$1,250,000 00	
Common Shares	2,500,000 00	
	$3,750,000 00	
Profit and Loss		436,930 91
Reserve for Preferred Dividend Last Quarter	$ 21,875 00	
Reserve for Depreciation	200,000 00	
Reserve for Bond Redemption	67,300 00	
Balance—carried forward	147,755 91	
	$ 436,930 91	
		$5,604,280 95

PROFIT AND LOSS ACCOUNT.

Balance, 1st July, 1916		$ 105,993 93
Manufacturing Profits after writing off Depreciation and Losses		199,107 05
Dividends on Preferred Shares at 7% per annum on $1,250,000	$ 87,500 00	
Interest Earned from Bank Balances and War Loans		13,705 41
Purchases of Bonds as required by Trust Mortgage	12,522 48	
Interest Coupon Semi-Annual Charges on Bonds Outstanding	71,028 00	
Balance, 30th June, 1917	147,755 91	
	$ 318,806 39	$ 318,806 39

We have audited the books of Canada Bread Company, Limited, for the year ending 30th June, 1917, and we certify that our requirements as Auditors have been complied with. We also certify that the foregoing Balance Sheet is, in our opinion, properly drawn up so as to exhibit a true and correct view of the Company's affairs, as shown by the Books of the Corporation.

OSCAR HUDSON & CO.,
Chartered Accountants.

DIVIDENDS DECLARED.

The Hamilton Provident and Loan Society

DIVIDEND NO. 93.

Notice is hereby given that a Dividend at the rate of eight per cent. per annum has been declared for the half year ending December 31st, 1917, upon the paid-up Capital Stock of the Society, and that the same will be payable at the Society's Head Office, Hamilton, Ontario, on and after Wednesday, the second day of January, 1918.

The Transfer books will be closed from the 15th to the 31st of December, both days inclusive.

By order of the Board,
D. M. CAMERON,
Treasurer.
Hamilton, November 24th, 1917.

The Trinidad Electric Company, Limited

NOTICE is hereby given that a quarterly dividend to December 31st, 1917, at the rate of five per cent. per annum on the capital stock of the company has been declared.

Warrants will be issued and mailed to the address of each shareholder, and are payable at the Royal Bank of Canada, Halifax, N.S., on and after January 10th, 1918.

The transfer books of the company will be closed from the 1st to the 10th of January, both days inclusive.

By order of the board.
F. B. OXLEY,
Secretary.

The Bank of Nova Scotia

DIVIDEND No. 192.

NOTICE is hereby given that a Dividend at the rate of Fourteen per cent. per annum on the paid-up Capital Stock of this Bank has been declared for the quarter ending December 31st, and that the same will be payable on and after Wednesday, the 2nd day of January next, at any of the offices of the Bank.

The Stock Transfer Book will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board,
H. A. RICHARDSON,
General Manager.
Halifax, N.S., November 20th, 1917.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND

A DIVIDEND of one and three-quarter per cent. (1¾%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st December, 1917, payable January 2nd, 1918, to shareholders of record December 15th, 1917.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, 23rd November, 1917.

Dominion Glass Company, Limited

DIVIDEND NOTICE.

NOTICE is hereby given that a quarterly dividend of one and three-quarters per cent. (1¾%) has been declared on the Preferred Stock of Dominion Glass Company, Limited, for the three months ending the twelfth day of December, 1917, payable Tuesday the first day of January, 1918, to shareholders of record at the close of business Wednesday the twelfth day of December, 1917.

By order of the Board,
MERVYN OFFER,
Secretary.
Montreal, 22nd November, 1917.

Tooke Bros., Limited

Preferred Stock Dividend No. 21

NOTICE is hereby given that a Dividend of 1¾% on the Preferred Stock of this Company has been declared for the Quarter ending 30th November, 1917, payable on December 15th, to Shareholders of record of the 30th November.

By order of the Board,
W. S. BARKER,
Secretary-Treasurer.
Montreal, November 21st, 1917.

Canadian General Electric Co., Limited

Common Stock Dividend No. 74

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend of two per cent. (2%) for the three months ending the thirty-first day of December, 1917, being at the rate of eight per cent. (8%) per annum, has been declared on the Common Stock of the Company.

The above dividend is payable on and after the first day of January, 1918, to shareholders of record at the close of business on the fifteenth day of December, 1917.

By order of the Board.
J. J. ASHWORTH,
Secretary.
Toronto, December 4th, 1917.

The Royal Bank of Canada

Annual Meeting

THE ANNUAL GENERAL MEETING of the Shareholders of the Bank will be held at the Head Office, 147 St James Street, in the City of Montreal, on THURSDAY, the 10th DAY OF JANUARY, 1918, at 11 o'clock a.m.

C. E. NEILL,
General Manager
Montreal, December 1, 1917.

The Montreal City & District Savings Bank

NOTICE is hereby given that a Dividend of Two Dollars and Twenty cents per share has been declared on the Capital Stock, called and paid up, of this Bank, and will be payable at its Head Office, in this city, on and after Wednesday, the second of January next, to Shareholders of record the 15th of December, at 1 o'clock p.m.

By order of the Board,
A. P. LESPERANCE,
Manager.
Montreal, November 26th, 1917.

GUELPH AND ONTARIO INVESTMENT AND SAVINGS SOCIETY

(Incorporated A.D. 1876)

Authorized Capital	$1,000,000.00
Paid-up Capital	711,983.00
Reserve Fund	687,122.50
Total Assets	4,142,716.78

NOTICE IS HEREBY GIVEN that a Dividend of Five Per Cent. for the current half year (being at the rate of Ten Per Cent. per annum) upon the paid-up Capital stock of this Institution has been declared, and that the same will be payable at the Society's Office, corner Wyndham and Cork Streets, Guelph, Ontario, on and after WEDNESDAY, JANUARY 2nd, 1918.

The transfer books will be closed from the twentieth to the thirty-first day of December, 1917, both days inclusive.

J. E. McELDERRY,
Managing Director.
Guelph, December 5th, 1917.

The Temiskaming Mining Company, Ltd.

(No Personal Liability)

DIVIDEND No. 24.

NOTICE is hereby given that a dividend of three cents a share on the stock of The Temiskaming Mining Company, Limited, is declared, payable on the 18th day of January, 1918, to shareholders of record December 31st, 1917. Transfer books closed January 1st to January 18th, 1918, both days inclusive.

By order of the Board,
R. GRAHAM, Secretary.

ANNUAL MEETING

The Sherwin-Williams Co., of Canada, Limited

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the annual general meeting of the Sherwin-Williams Company of Canada, Limited, will be held at the Windsor Hotel (room 129), Montreal, Que., on Tuesday, the 11th day of December, at 2.30 o'clock p.m., to receive a statement of the affairs and financial position of the company, and for the election of directors, and for the transaction of such other business as may come before the meeting.

By order of the Board,
J. H. GORDON,
Secretary-Treasurer.
Montreal, November 15th, 1917.

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Game

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DESTRUCTION OF CAPITAL BY CONSCRIPTION

All Taxes Should be Paid From Current Earnings.

OTHER STEPS IMPRACTICAL

Railroads, Industries and Farms Must Be Operated and Best Results Are Obtained With Control by Individuals.

"A good deal is said about the 'conscription' of capital," says the National City Bank in its December circular, "and it is well to have a clear idea of what is meant, and of just what it is practicable for the government to do in this respect. The phrase is often used as though the authority of the government to take property as it takes men was disputed, and with the implication that capital is spared through influence or favoritism.

"This idea is due largely to a mistaken conception of capital, and of the service which capital renders whether in public or private hands. The capital of the country does not exist in forms that permit of its being seized and turned into the treasury. Capital exists for the most part in productive property, i.e., in farms, mills, railways, machinery and all the equipment for carrying on industry. The greatest service to the country from these properties is obtained by having them operated with the highest possible efficiency. The government doesn't want property in these forms, but the products that come from them. It would be a great boon to have production increased and a disaster to have it generally decreased.

"The seizure, or conscription, of these properties in the sense of taking them out of the hands of the present owners is utterly impracticable. The government could not assume their management. It has no staff competent to operate them. If it took them over it could do no better than arrange with the present owners to go on operating them. It would have to make terms which would enable the management to satisfy wage-earners, provide working capital to buy materials and supplies, and make repairs, replacements, improvements and enlargements, as these were necessary to keep the industries up to the highest efficiency.

"In short the 'conscription of capital,' when reduced to practical terms means the fixing by governmental authority of the terms under which private property and private managerial ability will be devoted to public work. This is being generally done. In some cases fixed prices are agreed upon, in others the government pays cost, plus a percentage for the services of plant and organization. In some instances the latter is the only practicable plan, but its weaknesses are well known. Experience has always shown that as a general rule the best results are obtainable under the private management of industry. It gives an incentive to individual effort, stimulates efficiency and promotes progress.

"The seizure of properties by the government would not put money in the Treasury, or increase the supply of what the government wants. A levy of taxes so heavy that it could not be paid out of current earnings would reduce the working capital of industries at a time when they need it all, compel them to borrow while impairing their credit, and in many instances force the sale of properties on a market without buyers. In short, it would bring ruin and panic upon the country, demoralize industry when the country's salvation depends upon the industrial output, and destroy values at a time when of all times it is important to sustain confidence. It would be literally killing the goose that lays golden eggs. Nothing can take the place of men in the armies and rich and poor alike are conscripted for that service, but capital in the form of productive property must be used as it exists and must be handled by people who know how to produce results from it. 'Conscription' cannot be applied to it in any other sense than as applied to current earnings, and enough of current earnings must be left to finance the business adequately; otherwise efficiency will decline, production will fall off, the ability to pay taxes will diminish, and the war power of the country will be lowered."

The general Contractors' Section of the Montreal Builders' Exchange has invested $7,000 of its funds in Victory bonds.

Earnings of the Pullman Co. are running at the rate of 20 per cent. over the record figures of last year.

THIRTY WORDS THREE YEARS AGO—AND TO-DAY

"ONLY a great misfortune to our fleet, which the Germans are counting on, or some other unexpected event will bring this war to a close within five or six years."

Just one month and thirteen days after Great Britain had declared war on Germany THE FINANCIAL POST thus summed up the situation in thirty words. They appeared in our issue of October 17th, 1914. Their message was disapproved of in almost every direction. For daring to voice such an opinion THE FINANCIAL POST was attacked right and left, in the press and on the platform.

Over three years have passed since THE POST published that opinion, and the statements as pregnant which accompanied it. We are still at war with Germany, and the end is not in sight. The United States has entered the war and is making preparations for a three years' campaign. Three years of our war—three years more of our war plus America's war—six years. There are few who are not ready to-day to say as THE FINANCIAL POST said three years ago, that this war may last six years. Where are those cocksure critics of THE FINANCIAL POST?

Six years war,—but wait,—did THE POST say six years war and nothing else? Those thirty words that summed up the situation over three years ago exactly as it is turning out to-day laid emphasis on one great definite factor in our fight—the fleet. They warned also against the unexpected, the unforeseen event (the failure of Russia for instance). Over three years ago in thirty words THE FINANCIAL POST told the people the truth, and told them the truth in time.

"Our fleet" emphasized THE POST three years ago. "Only a great misfortune to our fleet . . will bring this war to a close within five or six years." "Britain's command of the sea," said Arthur Pollen, noted naval expert, addressing the Navy League in Toronto this week, "Britain's command of the sea within the last six months was hanging in the balance. If Germany's submarine campaign had succeeded she could have ended the war in six months.

"Had the enemy been able to keep up the destruction of tonnage it would certainly have meant that the defeat of Germany was out of the question.

"You may say I am giving you a very gloomy picture. I don't believe in ready-made optimism. There has never been a stage of the war when the situation was as serious as it is to-day. There never was a time when it was more necessary for us to be brave and resolute, and when we should do all in our power, not only to support the men at the front, because God knows, every man is wanted, but by saving food in order to relieve the civil population in Britain, France and Italy, but most of all by keeping up the resolute spirit to conquer."

In short, only a great misfortune to our fleet, which the Germans are counting on, and trying to bring about, could end the war within five or six years.

And to quote from the daily press—"Mr. Pollen's masterly review of the momentous developments of the last three and a half years, and the conclusions he reached, coupled with his timely warning of the grave danger which confronts the allied nations, made a profound impression on the audience."

Perhaps the fact that over three years ago THE POST in thirty words published the same timely warning, may to-day make a profound impression on the critics.

RATES ON FARM LOANS.

Only Way To Reduce Rates Is By Increase of Population.

An interesting letter on the subject of farm loans appears in a recent issue of the High River, Alta., *Times*, from the pen of Mr. Robins, treasurer of the Associated Mortgage Investors of Rochester, N.Y. The editor of the *Times* had evidently taken a strong stand on the question of the rates which should be charged by the government, for Mr. Robins expresses appreciation of his independent attitude. He then proceeds:—

"I am sure that no loaning organization can object to legitimate competition, whether from the government or a private organization; and where both organizations are operating on a fair basis, under which the cost of the business is charged up to the business, the private organization will have to take its chances with the government system, although it should be borne in mind that the government is not actually doing the business at cost if it endorses the paper by the guarantee of the bonds without charging a special fee for this endorsement. In other words, government credit is not something that is like the tides of the sea, of unlimited capacity for expansion; and every time the government guarantees a new issue of bonds it weakens all its outstanding guarantees by just so much and thereby increases the interest rate which must be paid on all of its borrowings. A continuation of this process results in continually higher interest rates, and accordingly in heavier and heavier taxes.

"Of course this principle is well recognized by all private corporations which give their endorsement to financial obligations, and they charge for the service. In New York State, for example, the large corporations which guaranteed mortgages charge one-half of one per cent. per annum for the guaranty. It would be logical, therefore, for the governments of the various Canadian provinces to charge up to the farm loan business as they administer it at present, an insurance fee in return for their guaranty of the obligation, together with the cost of operation; and if they were to do that the private companies would be willing to match their own efficiency and capacity for placing mortgages against the government; and if the government could beat them at the game, so much the better for the country.

"In the end, the only way in which the interest rates of the Western provinces can be lowered is by the influence of increased population, thus increasing the volume of business obtainable, and by the increase in reliability of farm loans. At the present time, the Alberta farm loan costs a good deal more to take care of than the farm loan in such a State of Iowa, for example, and there is by no means as large a volume of paper obtainable; thus making the cost of maintaining an organization much greater in proportion to the volume of business done than it would be in such a State as Iowa."

BRITISH HOUSING.

Committee Has Been Appointed to Report on Supply of Materials.

Serious attention is being paid in Great Britain to the question of housing after the war. The Minister of Reconstruction has recently appointed a special committee to consider and report on the question of the supply of building materials after the war. The special matters to be investigated are as follows:

1. To inquire into the extent of the probable demand for building material for all purposes which will arise in this country during the transition period, and the extent of the available supply and form of such material.

2. To inquire how far the quantities of material now available are capable of increase; what are the difficulties in increasing them, and how these difficulties can be removed, and to report to what extent an increase in production will affect the price of the materials.

3. In the event of the supply of material or labor being insufficient to fulfill the total building demand, to consider the principles and method by which the priority of various claims should be settled, and to report what steps are necessary to ensure that the manufacture of the materials, so far as they are at present inadequate, shall be extended in time to secure sufficient quantities for use when required on the cessation of hostilities; and to recommend what steps should be taken during the war to facilitate a prompt commencement of building work at that time.

4. Generally to consider and report upon any conditions affecting the building trades which tend to cause unduly high prices, and to make recommendations in regard to any measure of control which it may be desirable to exercise over the charges, production, transport or distribution of material.

MAY NOT LIST VICTORY BONDS UNTIL JANUARY.

Continued from page 1.

not have them listed until three or four months after the sales.

In mentioning 100 as par value for these bonds no allowance is made for the provision that has been made for the discount on January 2 for all who discharge their remaining payments in full at that date. The Government has worked this discounted price out to $89.10759, or, roughly, $89.11, so that the actual cost of the bond if paid in full then is only $99.11. Dealings on the exchange will certainly be based on the discounted or actual figure paid, rather than the nominal par, or the one that would operate if the remaining payments were not made until four months later. A discount of 1 per cent. if this were fixed as a minimum for sales would permit of an exchange price of slightly over 98.

Bonds Will Be Held.

In any speculation as to the extent to which there will be dealing in these bonds within the next year, it is generally agreed that the great majority will be held by the purchasers, as they were bought for an investment, and in the main will be kept until maturity. In a number of cases industrial concerns subscribed with funds that they will require early next year, and these will be compelled to "unload" by spring or thereabouts. In these cases there is some anxiety as to how much they will lose through any discount that may be operative.

The bond houses are confident that the educational campaign that has been carried on will be of immense assistance in marketing other bond issues in the next few years. Sir Thomas White at a luncheon in Montreal referred to this as one of the indirect results of the Victory Loan campaign, of which he strongly approved as tending to promote thrift.

"The workers are performing a national service. Hundreds of thousands of people throughout the country who had never heard of, or seen, a bond, are now becoming bondholders, and the bond-holding habit will grow."

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Established 1837. Incorporated 1880.
CAPITAL:—
AUTHORIZED and ISSUED £6,000,000
Paid-up Capital..£2,000,000
Reserve Fund....£1,980,000 Together £3,980,000
Reserve Liability of Proprietors......£4,000,000
Total Capital and Reserve £7,980,000

Head Office: 71, CORNHILL, LONDON, E.C.

DIRECTORS.
HENRY P. STURGIS, Esq. (Chairman).
The Rt. Hon. the Earl of Chichester.
John Dennistoun, Esq.
Hugh D. Flower, Esq.
Charles A. Galton, Esq.
S. R. Livingston-Learmonth, Esq.
William R. Mewburn, Esq.
The Hon. A. R. Mills, M.P.
Robert C. Nesbitt, Esq.
Frederick G. Parbury, Esq.
Sir Westby B. Perceval, K.C.M.G.

Manager—ARTHUR C. WILLIS.
Assistant Manager—WILLIAM J. ESSAME.

The Bank has 41 Branches in VICTORIA, [illegible] in NEW SOUTH WALES, 19 in QUEENSLAND, 14 in SOUTH AUSTRALIA, 22 in WESTERN AUSTRALIA, 3 in TASMANIA, and 44 in NEW ZEALAND. Drafts upon these Branches are issued by the Head Office, and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

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MONEY, BANKING AND EXCHANGE

WESTERN CITIES STILL MAKING HEAVY GAINS

In the East Gain is by No Means so Pronounced.

DOMINION INCREASE 7.4 %

Winnipeg Enjoyed the Biggest Gain of Any City, While Montreal Showed a Loss of Nearly Eight Million Dollars.

This week's returns of bank clearings, as reported to THE FINANCIAL POST, show a considerable improvement over last week's record. With the exception of Montreal, which fell behind by about a like amount to the previous week, and St. John, where a drop of $321,458 occurred, the record has been generally one of increases. The total increase for the Dominion was $20,310,477, or 7.4 per cent., as against a gain of 3.2 per cent. last week.

Winnipeg was in the van with a gain of $11,436,937, Toronto following with $6,175,558. Substantial increases were also reported by Vancouver, Calgary and Regina. Smaller clearing houses, like Brantford and Peterboro, showed gains of 42.5 and 45.1 per cent. respectively. Altogether, owing to the poor showing of Montreal, the gain by the Eastern cities was under one per cent., but this was compensated for by a gain of 19 per cent. by the Western group.

Owing to Thursday's catastrophe at Halifax, no returns have been available from that point, though it may be assumed that its total would be in excess of last year's figure, and would not detract from the general result.

WEEKLY BANK CLEARINGS.
(In comparison with same week last year.)

Eastern Cities.

	Dec. 6, 1917.	Change.	%
Montreal	$ 82,531,811—	$ 7,864,962	8.7
Toronto	66,511,312+	6,175,558	10.2
Ottawa	7,479,260+	536,691	7.7
Hamilton	6,080,101+	980,959	1.9
Quebec	6,373,650+	1,012,183	18.8
Halifax	....	....	....
London	2,765,207+	258,799	10.3
St. John	2,178,897—	321,458	12.8
Brantford	1,120,817+	334,211	42.5
Peterboro	717,584+	254,162	45.1
Sherbrooke	804,858+	165,712	25.9
Kitchener	671,360+	36,596	5.8
Total, East.	$177,234,858+	$ 1,457,452	.8

Western Cities.

	Dec. 6, 1917.	Change.	%
Winnipeg	$ 77,445,540+	$ 11,436,937	17.3
Vancouver	9,281,004+	1,824,652	24.4
Calgary	10,805,953+	2,897,162	36.6
Edmonton	4,131,680+	359,096	9.5
Victoria	2,202,804+	277,773	14.4
Regina	5,156,727+	1,060,873	25.9
Saskatoon	2,409,042—	64,672	2.6
Moose Jaw	2,010,085+	318,724	18.9
Ft. William	1,034,785+	267,510	34.8
Brandon	1,058,127+	257,960	32.2
Lethbridge	1,265,595+	122,813	10.7
N. Westm'ster.	450,579+	164,460	57.3
Medicine Hat.	718,528—	70,264	8.8
Total, West.	$117,970,450+	$ 18,853,025	19.0
Gr. total	$295,205,308+	$ 20,310,477	7.4
Yr. to date.	$11,837,987,013+	$2,158,607,572	22.3

For the month of November, owing to the heavy decline in clearings in Toronto and Montreal, the total clearings for eastern cities was off by $47,366,273 over November, 1916, or 6.1 per cent. Western cities, on the other hand, gained $95,808,404, or 23.9 per cent. For the whole Dominion clearings totaled $1,227,994,099, a gain of $58,442,131, or 4.9 per cent.

MONTHLY BANK CLEARINGS.
(In comparison with same month last year.)

Eastern Cities.

	Nov., 1917.	Change.	%
Montreal	$351,626,954—	$ 45,541,450	11.4
Toronto	256,019,252—	10,218,494	3.8
Ottawa	24,105,206—	676,447	2.7
Hamilton	22,341,652+	1,548,021	7.4
Quebec	20,751,039+	1,255,277	6.5
Halifax	14,237,854+	2,339,582	19.8
London	9,959,196+	712,587	7.7
St. John	9,054,252+	1,208,579	15.4
Brantford	3,937,345+	202,367	5.4
Peterboro	3,219,862+	778,867	32.5
Sherbrooke	3,204,834+	663,361	26.1
Kitchener	2,729,030+	361,477	15.3
Total, East.	$721,186,476—	$ 47,366,273	6.1

Western Cities.

	Nov., 1917.	Change.	%
Winnipeg	$336,048,611+	$ 65,976,615	24.4
Vancouver	42,660,326+	11,502,262	36.9
Calgary	44,451,931+	13,347,589	42.9
Edmonton	16,822,073+	4,720,818	39.0
Victoria	7,395,243+	571,995	8.3
Regina	21,596,458+	4,165,425	23.9
Saskatoon	11,636,385+	1,659,871	16.0
Moose Jaw	8,285,565+	1,159,892	16.2
Ft. William	4,028,798+	1,100,406	37.5
Brandon	4,101,824+	1,040,166	33.9
Lethbridge	5,073,333+	566,947	12.5
N. Westm'ster.	1,549,543+	262,567	20.4
Medicine Hat.	3,157,533—	166,149	4.9
Total, West.	$506,807,623+	$ 95,808,404	23.9
Gr. total.	$1,227,994,099+	$ 58,442,131	4.9

U.S. BANK CLEARINGS.

Bank clearings in the United States for the week ending November 29 aggregate $4,907,499,000, against $6,980,618,000 last week and $5,289,892,000 in this week last year. Canadian clearings aggregate $261,983,000, as against $272,598,000 last week and $254,564,000 in this week last year. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:—

(000's omitted)

	Nov. 29	I. or D.	Nov. 22
New York	$2,671,065	D 21.5	$3,827,567
Chicago	393,382	I 4.2	533,496
Philadelphia.	281,857	I 16.2	412,178
Boston	212,750	I 9.1	360,530
St. Louis	127,822	I 26.1	179,053
Kansas City	165,113	I 105.3	240,122
S. Francisco	86,709	I 23.9	133,810
Pittsburgh	69,675	I 6.0	89,403
Cleveland	59,126	I 16.7	98,962
Detroit	42,395	D 4.1	62,264
Baltimore	35,198	D 6.8	51,141
Cincinnati	33,908	I 12.4	41,133
Minneapolis.	32,015	D 2.1	39,441
New Orleans	48,136	I 49.0	58,676
Los Angeles	24,343	D 2.4	31,124
Omaha	38,659	I 54.3	53,556
Milwaukee	20,377	I 10.0	29,202
Atlanta	42,756	I 83.5	58,984
Louisville	15,548	D 4.6	21,922
Richmond	32,412	I 36.9	51,885
Buffalo	15,798	I 8.6	22,263
Seattle	*27,868	.....	27,868
St. Paul	12,391	I 1.6	17,410

EXCHANGE.

There is apparently a good deal of mystery about the present movement in New York funds. During the week they sold as high as 7/64 premium, ruling for the most part around 3/32 premium. At this time of the year, with grain shipments moving out in large volume, New York exchange is usually at a discount but this week the reverse is the case. Every odd lot of exchange is gobbled up as soon as it is offered. The upward movement started at the first of the month and its course would lead to the supposition that the banks are engaged in transferring balances from the United States to Canada.

The course of sterling exchange has been practically unchanged. A week ago quotations on demand ranged from 4.7515 to 4.7517. On Monday the rate was down to 4.75⅛ and it has ruled between 4.75⅛ and 4.75 3/16 since then.

Francs on the other hand have firmed up a little, demand advancing from 5.74¾ to 5.73½ and cables from 5.72½ to 5.71⅜.

Roubles have changed very little, considerable buying having developed which has tended to hold up the price. Demand opened around 13.00 and was quoted yesterday at 12.90, while cables in the same period have moved from 13.25 to 13.30.

A graphic illustration of the way in which Russian exchange has fallen since the war began is given in the accompanying chart, reproduced from the "Annalist" of New York. Prior to the war the rate on roubles was not quoted in America, as exchange was almost universally made on London. When first listed in October, 1914, the rouble was quoted around 48, or very slightly under the parity of 51½. The chart shows that, with few exceptions, and these invariably small, the tendency has been downward. Even loans by the United States Government to Russia could not make a decided change in the rate. Much of this was, of course, due to Russia's unfortunate defeats in battle, but certainly as much more can be attributed to her internal disorders, which have left her now practically a country without a government.

MONEY

After its rise to 6 per cent. last Friday, call money has been easier in New York. The advance to 6 per cent. created some alarm and the Money Committee, which temporarily suspended its activities about the middle of November, found it advisable to come into the market and lend approximately twenty million dollars. It is generally believed that, if the committee had not acted, rates would have gone beyond the 6 per cent. level. It was the first time that call money was quoted at 6 per cent. since October 1. There was a considerable calling of loans and withdrawal of funds on the part of correspondent banks in all parts of the country.

Rates for time money are practically unchanged, loans for sixty days being quoted at 5¼ to 5½ per cent., loans for ninety days at 5¼ to 5¾ per cent. and loans at six months from 5½ to 5¾ per cent. There is not a large demand for time loans at present and, according to reports of money brokers, loans of leading stock exchange houses are only about 50 per cent. of what they were in March. Liquidation in the stock market and the accompanying decline in prices have reduced loans, both in volume and in amount.

The main effect on money rates in Canada of the Victory Loan subscriptions will be felt on January 2, when the bulk of the money will be handed over to the government. This is the day on which those who elect to pay up their subscriptions in full will be required to complete their purchases of bonds. Though the transaction involves simply a transfer of funds from one account to another in the banks, the fact that the government will be spending the money at a rapid rate during the coming year will necessitate having funds constantly in readiness. This will tend towards strengthening money rates all round.

PROVINCIAL.

One of the market features of the week has been active buying of Cobalt Provincial, the stock rising to 47 on Thursday. The buying of this stock is due to gratifying news from the north on developments. The new mill has been running for some weeks now on a satisfactory basis. It only waits for the installation of a callow tank to be placed on a capacity basis. As to development underground, the management have wired that their new objective is a cross-cut from No. 2 to No. 1 workings, where they expect to pick up high grade ore bodies similar to the one already found there, which averaged 12,000 ounces to the ton.

ROYAL.

The annual general meeting of shareholders of the Royal Bank of Canada will be held at the head office, 147 St. James street, Montreal, on Thursday, the 10th of January, at 11 o'clock.

S. G. Dobson, who for the past two years has been manager of the Vancouver head office of the Royal Bank of Canada, has been appointed acting-supervisor of the bank's middle west branches, his territory covering Alberta, Saskatchewan and Manitoba. Mr. Dobson, who, during his tenure of office in this city has made a great number of friends, came here from Montreal, where he was assistant manager. He will probably assume his new duties at the year end. T. P. Peacock, of Hamilton, will take the position vacated by Mr. Dobson. The announcement has also been made that M. W. Wilson, who for seven years was associated with the local branches of the bank, has been made superintendent of branches for the entire system.

MONTREAL.

At the annual meeting of the Bank of Montreal the following directors were elected: D. Forbes Angus, R. B. Angus, J. H. Ashdown, H. W. Beauclerk, Colonel Henry Cockshutt, H. R. Drummond, G. B. Fraser, Sir Charles Gordon, K.B.E.; C. R. Hosmer, Harold Kennedy, Wm. McMaster, Sir Vincent Meredith, Bart.; Major Herbert Molson, M.C.; Lord Shaughnessy, K.C.V.O. At a subsequent meeting of the Directors, Sir Vincent Meredith, Bart., was re-elected President, and Sir Charles Gordon, K.B.E., was re-elected Vice-President.

The new list of shareholders of the Bank of Montreal as of October 31 this year is minus the name of the man who for years ranked as the largest individual shareholder—the late Sir William Macdonald, who died a few months ago. In last year's list 5,555 shares stood opposite his name. This year T. Howard and Walter M. Stewart, who were willed the bulk of the estate, each appear in the list of 2,880 shares, indicating the late Sir William increased his holding by 110 shares in the few months preceding his death. The Stewart blocks continue to rank as the largest individual holdings, the next being Baroness Strathcona with 2,511 shares. Other large holdings are: City and District Savings Bank, 2,030; O'Brien Estate, 2,000; Royal Trust, 1,880; W. H. Barrett, England; 1,660 Estate Hector Mackenzie, 1,900; A. Baumgarten, 1,875; R. B. Angus and C. R. Hosmer, 1,200 each; J. K. L. Ross, 1,111.

BANK OF B.N.A.

H. B. Mackenzie, General Manager of the Bank of British North America, who has just returned from an extended trip to the Prairie Provinces and the Pacific coast, is quoted as saying:

"While in the United States I was impressed with the energy and determination manifested on all sides that that great country shall play a worthy part in the war. We know from our own experience, and the experience of Great Britain, how long it takes to make the necessary preparations, but our friends to the south do not give one the impression that they are losing any time.

"In British Columbia I found conditions distinctly better than when I was there last, but that was two and a half years ago. One very noticeable feature is the revival of the shipbuilding industry, which is serving a most useful purpose just now in giving employment to a large number of people, and though it is hazardous to prophecy beyond the end of the war, there are hopes that it may prove to be of a permanent character.

"In the Prairie Provinces there is quite abnormal prosperity and spending power, due to the ruling high price for grain. Cash is coming into the country fast in payment of this year's crop, and this finds reflection in loans repaid and increased deposits in the banks."

NORTHERN CROWN.

The annual general meeting of the shareholders of the Northern Crown Bank will be held at the head office of the bank in Winnipeg on Wednesday, January 9th, at 12 o'clock noon.

ROYAL BANK.

W. B. Torrance, who has been superintendent of branches for the past seventeen years of the Royal Bank of Canada, retired at the end of the bank's fiscal year, November 30. Mr. Torrance is succeeded by M. W. Wilson, heretofore holding the position of chief inspector.

N. Hilary, supervisor of Western branches, is on his way to Montreal to take the position of general inspector. Two other general inspectors have also been appointed, these being G. W. MacKimmie and S. R. Noble.

S. D. Boak, who has been chief accountant for a number of years, has been appointed secretary, and is succeeded by J. McKerchar.

BANK OF ENGLAND.

The Bank of England, according to private advices received at New York, has broken all precedents and is now paying 4½ per cent. interest on deposits by banks for foreign account. It is understood that the Bank of England decided upon this movement for the purpose of attracting funds. For some time past the principal banks have been paying higher interest rate on balances of foreign accounts than on domestic funds, but heretofore the Bank of England has not paid any interest whatever on any accounts.

THE ROYAL BANK OF CANADA
INCORPORATED 1869

Capital Authorized - - - $ 25,000,000
Capital Paid Up - - - 12,911,700
Reserve and Undivided Profits, 14,324,000
Total Assets - - - - - 311,000,000

HEAD OFFICE, MONTREAL

365 Branches in Canada and Newfoundland
Thirty-eight Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela

BRITISH WEST INDIES

ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown and Speightstown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; MONTSERRAT—Plymouth; ST. KITTS—Basseterre; TRINIDAD—Port of Spain and San Fernando; TOBAGO—Scarborough; BRITISH HONDURAS—Belize; BRITISH GUIANA—Georgetown, New Amsterdam and Rose Hall (Corentyne)

LONDON, ENGLAND
Bank Bldgs., Princes St., E.C.

NEW YORK CITY
Cor. William and Cedar Sts.

BUSINESS ACCOUNTS CARRIED UPON FAVORABLE TERMS.
SAVINGS DEPARTMENT AT ALL BRANCHES.

Are You an Executor?

If you are, and desire to be relieved of the detail work of the Estate, we would be pleased to act as your Agent. The law gives you the right to employ us, and our charges are very moderate.

Montreal Trust Company
Sir Herbert S. Holt, President. A. J. Brown, K.C., Vice-President.
TORONTO OFFICE: ROYAL BANK BLDG.
J. F. Hobkirk, Manager

THE ROYAL TRUST COMPANY
EXECUTORS AND TRUSTEES
HEAD OFFICE, MONTREAL.
Capital Fully Paid, $1,000,000. Reserve Fund, $1,000,000.

BOARD OF DIRECTORS.
Sir Vincent Meredith, Bart., President.
Sir H. Montagu Allan, C.V.O., Vice-President.
R. B. Angus
E. W. Beatty, K.C.
A. D. Braithwaite
E. J. Chamberlin
H. R. Drummond
Sir Charles Gordon, K.C.B.E.
Hon. Sir Lomer Gouin, K.C.M.G.
C. R. Hosmer
Lt.-Col. Bartlett McLennan, D.S.O.
William McMaster
Major Herbert Molson, M.C.
Lord Shaughnessy, K.C.V.O.
Sir Frederick Williams-Taylor
A. E. Holt, Manager
TORONTO BRANCH - - - - - - - - - 59 YONGE ST
BRUCE L. SMITH - - - - Manager

The Standard Trusts Company

Dividend Number 27

NOTICE is hereby given that a dividend at the rate of 9% per annum upon the paid up capital stock of the Company has been declared for the half year ending December 31st, 1917, and that same will be payable at the offices of the Company on and after January 2nd, 1918.

The Stock transfer books will be closed from the 16th to the 31st of December, both days inclusive.

By order of the Board,
WILLIAM HARVEY,
Managing Director.
Winnipeg, Man., Dec. 1st, 1917.

The most important document a person of large or small means is called on to prepare is his

LAST WILL AND TESTAMENT

It means the happiness and welfare of those most dear.
Ask for booklet: "Make Your Will."

CAPITAL ISSUED AND SUBSCRIBED $1,171,700.00
PAID-UP CAPITAL AND RESERVE 860,225.00

The Imperial Canadian Trust Co.
EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.
HEAD OFFICE: WINNIPEG.
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY, VANCOUVER AND VICTORIA.

Mercantile Trust Company of Canada
LIMITED
Hamilton, - - - Canada

Acts as Executor, Administrator and Trustee. Administers Real Estate.

We have special facilities for handling property in the Niagara Peninsula.

Cyrus A. Birge, *President* S. C. Macdonald, *Manager*

5% AND ABSOLUTE SECURITY

Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.

THE EMPIRE LOAN COMPANY, Winnipeg, Man.

Experienced Service for Real Estate Owners

The proper management of Real Estate requires experience and close attention. The Real Estate Department of this Corporation is well equipped to give exceptional satisfaction to persons who wish to place the management of their property in competent hands. Owners of Western Real Estate can secure excellent service through our Western Branches. Interview or correspondence solicited.

THE
TORONTO GENERAL TRUSTS CORPORATION
Capital and Reserve $3,350,000.00
Head Office: 83 Bay St. Toronto
Branches: Ottawa Winnipeg Saskatoon Vancouver

NEWS AND VIEWS FOR MANAGERS

LEARNING THE CREDIT VALUE OF MAN'S NAME

Valuable Knowledge in Passing Upon Customer's Paper.

TAKING WORD FOR BOND

Managers in Old Settled Districts Can Make Valuable Use of Intimate Knowledge of Affairs of Borrowers.

"When I see the name of a farmer of my district on a note I want to be able to judge whether his promise is good or whether a surety is required—and this applies in cases where a customer deposits the notes of other farmers or where he seeks accommodation on his own account," said an experienced branch manager in an agricultural community where he has been very successful in his relations with the bank's clients. We were discussing the relations of the banker and the farmer and the conversation had been brought round to get this manager's opinion in regard to giving his customers accommodation as well securing their deposits. I found that in this respect as in the other that the personal element is of great importance and that an intimate knowledge of the character of the man as well as of his standing financially is necessary for the continuance of satisfactory relations.

In the more newly developed agricultural districts or in the case of newcomers, or again, where the manager is new to his field it is necessary that every technical precaution be taken, but where the manager has an opportunity of becoming intimately acquainted with his customers and with those with whom his customers may be doing business, as is possible in the older settled communities, the relations can be brought to a much more satisfactory basis from the standpoint of the bank when some of the red tape can be dispensed with. A successful farmer who has been known for years in his district—as probably his family has been before him—and whose "word is as good as his bond" to the community does not like to be asked to put up a large margin of actual security or secure the endorsation of a neighbor for a small temporary loan. Nor does he always like to be asked to endorse notes of his neighbors when depositing them following a sale.

The average farmer of the older school likes simplicity in his banking and business arrangements. The manager who can understand him and his requirements and can serve him with a minimum of formality will win and hold his business. But it must be remembered that only where there is a thorough understanding of the men and of their position and character that such free relations can be established—otherwise they would entail many risks.

Thus we again find the value of becoming closely acquainted with the customers of the bank. The manager I have referred to told me that he sellom asked a farmer for a surety—if the man himself was not good for the loan he did not believe in making it unless the circumstances were such that the person making the endorsation understood all the conditions thoroughly. Further he said that he could hardly recall a case where his judgment had not been sustained. And this banker is one of those who knows his district sufficiently well that he often takes sale notes without the endorsation of the person depositing them.

I happen to know something of the methods of this manager and while I could not think that all managers could follow him in his full success, there can be no doubt but that a great deal in this direction as well as in the development of savings accounts can be accomplished by the establishment of intimate and friendly relations with the customer.

Closing the Bank Door.

While the city bank closes its doors at 3 o'clock in the afternoon, "bankers' hours" are another matter in the smaller business centres, especially where many of the customers are farmers. My experience in small towns recently has been that the manager who is on the best terms with his customer is the one who keeps his front door open as long as he remains in his office. Not only does the average farmer seem to resent the idea that a place of business should close in the middle of the afternoon—he usually does not understand that work can go on just the same inside but thinks that the staff members are off on a holiday—but as a matter of fact there are many times when it is not convenient for him to drop in during the time of the usual city schedule. If he travels a number of miles to town and then finds that the door of the banker is closed when every other business establishment in the town is open he goes away in anything but a pleasant frame of mind and this is especially the case if it is harvest time or some other season when his time is very valuable on the farm.

"With a short staff we are working long hours in any event and I know that since the war the time of the farmer has become especially valuable," said one manager in an industrial town in an agricultural district, "and so we keep the door open just as long as there is anyone in the bank to give service."—J.W.T.

BRAZIL'S NEW BANKS.

Minor Economic Institutions Proving a Great Success.

The experiment of establishing economic banks in Brazil has proved so encouraging to the Governments of the Provinces that one of the most prosperous of the States—that of Sao Paulo—has, in the course of about 12 months, brought into existence no fewer than 47 of these minor institutions, in addition to the three experimental banks which were founded in Santos, Compinos and Ribeiro Preto. The banks are as was anticipated, proving an appreciable factor in agricultural expansion, since they are enabled to exercise all the usual functions of agencies of the Central Bank, they can provide the cash advances or credit to needy farmers for the cultivation of their land or for the purchase of the stock for their cattle-breeding. These banks are really influential co-operative credit societies with limited liability. Having proved so eminently popular, it is clearly only a question of time when the movement will be extended to the remaining States of the Union, and to the adjoining republics.

VICTORY LOAN WILL NOT CUT DOWN DEPOSITS

At Least Not Permanently, is Opinion of Branch Managers.

WILL ENCOURAGE SAVING

Not So Much For the Actual Interest As for "Nest Egg"—Not Much Rivalry Between 3 Per Cent. and 5½ Per Cent.

A branch manager in a well-to-do district who has what he terms a "conservative" class of business, a residential rather than a business type of customer, is not worrying over serious losses in deposits as the result of subscriptions to the Victory Loan. The heaviest drain, naturally, he expects on Jan. 2 next, when he looks to the majority of his depositors to pay for the balance due on the bonds in one sum and take advantage of the very substantial discount.

This drain will he thinks be only a temporary one. First of all he takes a general view of the situation that the money will be expended in Canada, and in so far as it will be utilized to provide credits for war purchases will be distributed in wages, and in purchases of raw materials, and find its way back to the banks. Apart altogether from this he is convinced that the publicity that attached to the interest feature of the loan, as well as to the personal education that was carried on by individual canvassers, will stir up in many people a new realization of just what an investment is. Where the banks will benefit chiefly is that a deposit in the bank, with the payment of interest, will be the closest parallel in the mind of the average person to the purchase of a Victory Bond and the subsequent payment of interest half-yearly. Moreover the possession of the bond itself and the coupons will in themselves be merely a substitute for the bank book and the interest payments once a month.

The Question of Interest.

The actual amount of interest paid, he is convinced, will not carry much weight. The majority of people did not buy, he believes, because the bonds paid 5½ per cent.; they bought as a patriotic act. A number came in to his bank and wanted to put down the whole amount at once. "Oh, but you will lose the interest on your money—such and such an amount." No matter, they were not thinking of that. Hence the difference between 3 and 5½ will have little bearing.

But the chief class that will become bank depositors as a result of the campaign will be what are known as "working men." There was a large division of these that preferred to be "independent"; to feel they could spend the money whenever they felt like it; who did not want to be pinched by putting aside any special sums every week or fortnight; they had started on the "investing" habit that was a close approach to the "saving" habit, and from this class the banks would benefit.

DECIMAL MONEY.

Important Changes Are Being Discussed in England.

At a joint meeting of the Institute of Bankers, the Association of Chambers of Commerce, and the Decimal Association says *The Economist*, unanimous agreement was secured as to the retention of the £, sterling as the monetary unit and its division into 1,000 parts or mills. This enables all the existing gold and silver coins down to and including the 6d piece to be retained without any alteration in their respective values. For example, the 6d is represented exactly by 25 mils. In regard to the coins of lower denomination, it was unanimously agreed that they shall consist of 1, 2, 3, 4, 5, and 10 mil pieces, of which the two latter would be of nickel.

FORD TRACTOR COMPANY.

Ambitious Concern Has Gone Into Liquidation.

The Ford Tractor Company, a Delaware corporation with a factory in Minneapolis, which, by the influence of the magic name of "Ford," endeavored to put on a stock campaign in Canada and the United States, and which has previously been exposed in these columns, has gone into liquidation. The receiver has been instructed by the courts to "continue the business."

OIL STOCK ISSUE.

Anglo-American Company, of Standard Oil Group, Creates New Shares.

Advices from London state that stockholders of the Anglo-American Oil Company, Ltd., have ratified the plan to increase the stock from £2,000,000 to £3,000,000. The 1,000,000 new shares of £1 each will be offered to the stockholders in the proportion of one new share for every two whole shares held by them. The suscription price is $7.50 in the United States. The treasury has objected to the issue of the new capital here during the war, but has approved a scheme whereby holders residing in Great Britain may subscribe to the new shares at 31s. 6d. Scrip certificates will be issued in the meantime if applied for between January 16 and February 14.

U.S. RUBBER.

American Concern With Canadian Interests Has Big War Orders.

The United States Rubber Co., with large interests in the Canadian Consolidated Rubber Company, has in the neighborhood of $5,000,000 of war orders. A portion of this business is for the French Government.

On the basis of earnings for the eleven months, U.S. Rubber Co. will show a minimum net for the full year of $15,000,000 after an allowance of $1,000,000 for special war tax. This figure is also after bond interest.

Preferred dividends for the year will take $4,800,000 which will leave at least $10,200,000 for the $36,000,000 common stock, or approximately $29 a share. These earnings are by far the largest in the history of the company and compare with $15.12 a share earned on the same amount of stock a year ago. In other words the current year will show an increase of 100 per cent. in earnings applicable to the common stock even after allowance for heavy war taxes.

Sales for the year will run above earlier estimates. Total business will be closer to $160,000,000 than $150,000,000. In 1916 business amounted to $126,759,129 and in 1915 $92,861,016. This means an increase in sales for the year of about 25 per cent. and in two years of close to 60 per cent.

Tire sales this year alone will approximate $55,000,000 as compared with slightly under $40,000,000 a year ago, an increase of 40 per cent.

TAX ON U.S. NOTES.

New Provisions of War Revenue Act in United States.

Under the provisions of the War Revenue Act of Oct. 3, 1917, drafts or checks payable otherwise than at sight or on demand, promissory notes (except bank notes for circulation), and each renewal of the same, are subject to a stamp tax, as follows: For a sum not exceeding $100, 2 cents; and for each additional $100 or fractional part thereof, 2 cents.

CGE
EDISON MAZDA
CA

Quarter Century of Progress.

The Canadian General Electric Co., Limited, was organized in September, 1892—just a quarter of a century ago.

It had its origin in a syndicate of ten citizens of Toronto formed five years previously with a capital of $10,000 to inquire into the feasibility of establishing, in Toronto, electric light and power by means of underground wires.

The Company has now a paid-up capital of $10,000,000.00, a surplus of over $4,000,000.00, and assets over $25,000,000.00.

It owns 10 manufacturing establishments shown above, a large Head Office and 7 Branch Office buildings, and has 5,000 to 6,000 employees.

The Canadian General Electric Co., Limited, manufactures Electrical Apparatus and Supplies for Railway, Light and Power purposes.

The Canadian Allis-Chalmers, Limited, a subsidiary company, manufactures Locomotives, Structural Steel, Cast-Iron Pipe and Power Plant Equipment, Mining, Crushing, Hydraulic and Milling Machinery.

By reason of its numerous factories and great manufacturing facilities, the company was able to take an early and leading part in the manufacture of Munitions of War, and recently obtained from the British Government an order for 4 Steel Steamships of 3,500 tons each.

This, briefly, is the record of a Quarter Century of Progress.

CANADIAN GENERAL ELECTRIC CO. LIMITED
CANADIAN ALLIS-CHALMERS LIMITED

DR. CHOWN AND GENERAL CURRIE

Appeal for Support for the Union Government

Degrading the Term "Canadian" from a Synonym of Glory to a Badge of Dishonor

"In my judgment, the elector who votes for the anti-conscription policy, and the repeal of the Military Service Act, forges three links in a fatal chain of personal humiliation, public contempt and national decay. He degrades the term "Canadian" from a synonym of glory to a badge of dishonor."

Such is the view of the Rev. Dr. S. D. Chown, General Superintendent of the Methodist Church in Canada, and a man noted for weighing his words well.

"I believe in the win-the-war policy of conscription," said Dr. Chown. "I am not a new convert to the idea. Long before it was adopted by any party in Canada I publicly expressed my approval of that plan.

"I believed then, as I believe now, that under any conditions it is the fairest, most democratic, most expeditious, and least expensive method of raising an army in this country; and under present conditions it is the only possible way of fulfilling our obligations to Christian civilization. I also believe that, socially considered, it is the most moral and profoundly religious method of doing our national duty.

IF WE COULD ONLY SEE.

"Some of my most respected friends are opposed to this policy, and I give them credit for conscientiousness, but I cannot believe they clearly imagine what I have actually seen. They have not seen the barbaric nakedness of this war in a Casualty Clearing Station, with its continuous procession of ambulances bringing in hundreds of men wounded and broken in almost every conceivable shape. They have not seen the appeal in the eyes of our men as the light of life faded into the darkness of death, and they seemed to say, 'I suffer this for you. Oh, do not let me die in vain.' They have not stood in a hospital amongst the boys gasping for breath, and straining to overcome the death-dealing gas. They have not looked into the inferno of a sharp engagement with the enemy, where the greatest marvel is how the hearts of our boys could be stout enough to keep a level head.

"If they had done these things, they would not think of deserting our thinning ranks. I am sure they would be ashamed to turn their eyes Eastward or whisper the name of one of our fallen heroes if they did not vote for a policy which would give our men the earliest and utmost support. I never met a man at the Front who was not demanding and expecting conscription in Canada.

GENERAL CURRIE'S APPEAL.

"General Turner told me that in about six weeks from now they would be in the direst straits if new drafts are not available. General Sir Arthur Currie wrote me a few days ago saying, 'I have great hope that the Government which the Prime Minister has succeeded in forming will be acceptable to the people of Canada, and that there shall no longer be any uncertainty as to Canada's action for the balance of the war.'

"If the Government be not sustained the heart will be taken out of our soldiers. How could we face these men upon their return if we forsake them now?

"But I fear they would scorn to return. I fear they might forswear their country, and die fighting if need be under another flag.

ALIENATED FROM THE EMPIRE.

"In my judgment, therefore, the elector who votes for the anti-conscription policy, and the repeal of the Military Service Act, with the consequent withdrawal of Canada from the war, forges three links in a fatal chain, of personal humiliation, public contempt and national decay.

"He alienates Canada from the rest of the Empire, and from association with the respectable portion of mankind. He degrades the term Canadian from a synonym of glory to a badge of dishonor. If I voted against a Union Government candidate I would feel that I was opposing the most patriotic movement ever known in the Dominion of Canada."

THE FINANCIAL POST
OF CANADA

President - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - - H. T. HUNTER
Manager - - - - - - - - - - R. G. DINGMAN

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Toronto, December 8, 1917.

LORD CECIL'S BRAZEN TRUMPET.

LORD ROBERT CECIL has been boasting about the success of the British blockade. He calls it a marvel. It may look so to him. Anything that achieves even only partly what it set out to do may look marvellously successful to Lord Robert. He is one of the idle rich professional politicians. He is one of that charming section of the British aristocracy who in previous time of crisis won distinction because they "did nothing, and did it very well." Lord Robert's nothing has not even been done well. He deserves no credit whatever for the success of the blockade. The blockade was a farce until the Americans came in and insisted that it be made a real blockade and linked up with the submarine campaign. Then it became a success. But it is not Lord Robert's success. This was one of the most important matters settled at the British-American conference last May, and dealt with very guardedly in these columns at the time.

If, instead of the professional politicians being permitted to continue the incompetent handling of our military and naval affairs, and the direction of foreign negotiations, the great executives of the nation had taken charge of them, the war would be in a vastly more favorable situation for us.

A "TIP" ON PRICE REGULATION.

ONE of the arguments used in favor of price regulation for the benefit of the consumer—and one of the few which on the face of it appeared to carry some weight in the solution of the practical problem—was that certain foodstuffs were cheaper in England than in Canada. THE FINANCIAL POST has pointed out that this has been due to the fact that the difference has been supplied by the government either in actual loss on purchases or in a theoretical loss in selling below actual market value. Here is a concrete example.

In order to give the British consumer potatoes at a moderate price the government, according to a statement made recently in the House of Commons, will sustain a loss of $25,000,000 on the price guaranteed to the growers. The consumer should be pleased and the producer should also smile at such an arrangement but the government loses $25,000,000—and as the government is the people, who gains? By no such juggling of figures can the laws of economics be remade. As *The Economist* aptly remarks the whole lesson of the potato comedy is that it is always dangerous to meddle with economic laws except in cases of urgent national necessity.

CONSERVATION AND PATRONAGE.

IN referring to an editorial which recently appeared in THE FINANCIAL POST regarding the responsibilities of men in cabinet positions—particularly referring to the ruthless and preventible destruction of our forest reserves by fire—the December issue of "Conservation" will say that this tremendous loss which has been inflicted on the country is the result of the patronage system. We quote:

> Recently a Canadian weekly, in referring editorially to the millions of dollars' worth of timber destroyed by forest fires, asked why government officials in charge of fire protection services throughout Canada were not dismissed because of inefficiency in coping with the forest fire problem, pointing out that a private corporation would soon "fire" the head of a department who could not produce results. This journal, however, overlooked the fact that most heads of fire protection services in Canada have had to fight the patronage evil as well as forest fires. Hardly a year passes in which instances have not come to the notice of the Commission of Conservation where valuable forest property has been destroyed because a ranger or some other official had received his appointment because he was a politician and not because he was a competent forester. Is it just that the public should hold a fisheries official responsible for the depletion of certain fisheries when the assistants they give him are more interested in catching votes than law-breakers? The secret of efficiency in public administration as well as in private business lies in securing the best qualified, highest-salaried heads of departments obtainable, giving them a free hand and holding them strictly accountable for results. So long, however, as incompetent help is foisted upon them, good results cannot be expected.

We are willing to agree as to the evils of the patronage system. But are the men who accept patronage to blame? No. The responsibility must be placed on the shoulders of the members of the government. If patronage and forest fires go hand in hand then let the ministers fight to stamp out patronage. It amounts to much the same thing in the end.

THE endorsation of government war bonds by Thomas W. Lawson is about the first thing which we have heard to cause public apprehension.

THE HYDRO PROBLEM—WHAT OF THE FUTURE?

IN its issue of November 24th, THE FINANCIAL POST commented upon the shortage of power for the makers of munitions and for manufacturing concerns. This shortage is admitted to reach the enormous quantity of 100,000 H.P. The classes who are suffering are as follows:—

1. Manufacturers of munitions who have contracts with the British Government for shells, rifles, fuses, nickel, cutlery, lathes, tools, ferro-silicon, electrodes, etc.

For example—one munitions plant in Welland has installed capacity for use of 34,000 H.P., but is only able to get a fluctuating supply up to 22,500 H.P. on peak loads.

2. Manufacturing concerns who are not making munitions of war, from whom power has to be taken for the benefit of the war supplies.

3. Manufacturers who have obtained the promise of power and who have built their plants and installed their machinery upon the faith of such promise, and who are now unable to obtain their supply.

4. Municipalities (although they own the transmission lines and transformer stations and are paying for them year by year) who are being called upon not to make further contracts and to economize in their use of power and to shut down at peak periods.

5. Private consumers having contracts with the municipalities who are unable to get the power from them at the times and in the quantities which they require.

The shortage of power will be more readily understood if it is recalled that Sir Adam Beck's original plan, endorsed by Sir James Whitney, was to supply power to the municipalities to the maximum quantity of 100,000 H.P. The shortage now is as great as the whole total quantity originally contracted for.

To illustrate what this means—suppose a manufacturer were to erect buildings and instal machinery for a capacity of 100 tons a day production, and his power supply was limited to the amount sufficient for a production of 50 tons a day, while his contracts for sales and capital investment were for 100 tons daily, the result would be failure.

If this shortage was temporary and to be experienced during the winter of 1917 only, some excuse might be made, but this is not the case; the prospects for the winter of 1918 are still more serious, for it is estimated that the shortage for next winter will reach the staggering amount of 200,000 H.P.

If such a deficiency should be met with, the whole Beck scheme might fail and the municipalities would probably be the sufferers, also all other manufacturers and persons holding contracts from the commission or the municipalities, and the obligations of the provincial government would have to be met. How can such a calamity be averted and what is the remedy?

Unfortunately Sir Adam Beck has further complicated matters by declining to allow the Ontario Power Company to construct its third pipe line, with a production of 60,000 H.P.; if he had permitted this to be done, that quantity of power would now be available and in his own hands for use, as the Commission has since purchased the Ontario Power Company.

Sir Adam Beck's refusal to permit this development was in order that he might have the use of the water for his Chippewa power scheme. It is useless to count upon the Chippewa plant for help at this time, for sufficient reasons: (a) That the American Government will have to approve the withdrawal of water from the Niagara River, as it would be a breach of the existing Treaty between the United States and Great Britain; (b) It will be four years at least before the development could be completed; (c) No money is available to proceed with the work and money cannot readily be borrowed now for such a purpose because of the war.

The whole question is before Sir Henry Drayton as Commissioner for the Dominion Government and he will have to make the best of a bad job.

The Ontario Power Company, of which Sir Adam Beck is president, has contracted to export 50,000 H.P. to New York State, and the Canadian Niagara Power Company and the Electrical Development Company are exporting about 45,000 H.P. If all of this power could be made available for the Canadian consumers, it would reduce the Canadian shortage by 95,000 H.P.

It would therefore be possible during the coming year to arrange for an additional supply of 155,000 H.P. as mentioned:—

> By the immediate construction of the third pipe line of the Ontario Power Company, providing 60,000 H.P.
>
> By withdrawing of power from the American consumers amounting to 95,000 H.P.

that is, if the export contracts can be cancelled and the difficulties referred to overcome.

Only one thing seems to be quite clear in this power project, which is, that, as at present constituted, it cannot succeed, and this is true although Sir Adam Beck has exhausted all of the relief which could be given to him from both the Dominion Government and the Ontario Government. The ultimate result may be that the Dominion Government will propose to take over all of the power plants on the Canadian side of the river, and the American Government all of the power plants on the American side, on the plea of justice to all the generators of power and to all consumers of power. Under the circumstances, would it not be well, as THE FINANCIAL POST has continually urged, that an independent expert commission report upon the subject?

FORECASTING THE YIELD.

THE preliminary estimate of the value of the field crops of Canada for 1917 is given at $1,089,000,000, by the Census and Statistics office at Ottawa, under date of November 30th. F. M. Chapman, editor of *Farmer's Magazine*, in his weekly article in THE FINANCIAL POST, estimated $1,063,000,000, with a probability of $1,100,000,000, for these crops under date of September 22nd—over two months before. **This is an example of the service we are giving our readers on matters affecting the national business situation.**

INTO BANKING FROM BASEBALL DIAMOND

Charles H. Sabin, Head of World's Largest Trust Company, Might Have Been a Miller But For His Ability as a Pitcher.

A hard-headed trust company president, chary of bestowing praise and quick to censure, was talking confidentially some years ago about matters in Wall Street, and mentioned Charles H. Sabin, then a vice-president of the Guaranty Trust Company, in its quarters on Nassau Street. "There is a young man to keep your eyes on," said the speaker. "I did not like him until we found ourselves lined up on opposite sides in a reorganization fight. Since then I have counted him a valued friend. He won my respect because he showed me he always wanted to do the fair and straightforward thing. If he does not become a leader down here I am a bad judge of character." The speaker did not make a bad prediction according to the New York Annalist:

As matters turned out, the speaker did not make a bad prediction. Make up a list of the five bankers who have exercised the greatest amount of influence in financial matters in recent years, and Mr. Sabin will be accorded a place in the group. His rise has been phenomenal. Thirty years ago he was kicking around a small New England village, wondering where he could get a job, since he did not have money enough to go to college, although there was a famous old institution within five miles of his home. Today he is the head of the largest trust company in the world, whose influence is so great that its decision to enter the Federal Reserve system has already proved the deciding factor in bringing about a general movement of State banks into the Federal system. Best of all, Mr. Sabin has not lost any of his human qualities in the course of his rise. The traits that marked him in his boyhood days still predominate. He has a great capacity for friendship, which does not differentiate between the man who earns $2,500 a year and the one who makes $25,000.

If Mr. Sabin had not distinguished himself on the baseball diamond as a youngster he might be the head of a milling business to-day, and the banking world would be that much poorer. He was born on Aug. 24, 1868, in a baseball country, the son of a hotel and livery man in South Williamstown, Mass. He went to school in his own village, attending Greylock Institute, the Alma Mater of Henry P. Davidson and a number of other men who have become nationally famous. At every opportunity he played ball, and when he left home to find work, after being graduated from Greylock in 1885, his family, not having means to send him to college, he carried his uniform and glove along. He located in Albany, about twenty-five miles west of Williamstown, and went to work under Henry Russell, who had a flour business there.

Amateur baseball was raging in Albany, and a keen spirit of rivalry had developed among the city teams. The National Commercial Bank was a contender for honors, but had a team that was weak in the pitching department. The captain knew where he could get a good pitcher, but the league rules were framed to keep out "ringers." On the eve of an important game he went to the president of the National Commercial and arranged that a job should be given to "Charley" Sabin. The pitcher was released from the flour business forthwith and hastened to the bank, where he stood in a bookkeeper's cage for the remainder of the afternoon to qualify as a bona fide bank employe. History does not record whether or not he saved the game for his team on the following afternoon, but either he pitched good ball or took a greater interest in his bank work than he was expected to, for he remained with the National Commercial Bank for some months, and then joined the staff of the Park Bank. He left there to go to the Albany City Bank, which was afterward merged with the National Commercial, so that he returned to his original institution, where he was a vice-president and general manager from 1902 to 1907.

In the latter year, made memorable by the worst banking panic this generation has experienced, and with weak institutions toppling over following the collapse of the United Copper pool and the attendant disclosures of the activities of Morse, Heinze, and Barney, Mr. Sabin came to New York to open a new national bank. A less auspicious time could not have been chosen, but with the backing of John D. Ryan and other influential friends, the National Copper Bank not only survived the panic but added to its deposits as the trouble ran on. Mr. Sabin remained president of the institution for the two years of its life, and in 1909 it was merged into the Mechanics and Metals. Mr. Sabin went over to the enlarged bank as vice-president.

The Guaranty Trust Company, formerly the Morton Trust Company, had been gaining in strength and prestige under the administration of Alexander J. Hemphill, and in 1910 Mr. Sabin was invited to become a vice-president. In less than five years more Mr. Hemphill was made chairman of the board, and Mr. Sabin succeeded him. In twenty-six years Mr. Sabin has risen from the lowest position in a bank to one of the highest.

The Guaranty had outgrown its quarters in the Mutual Life Building and erected a costly new eight-story home at 140 Broadway, where it had about a third of its space to rent to other tenants. The expansion of the bank's business was much more rapid than the architects had been led to provide for, with the result that the tenants were compelled to vacate with the expiration of their first leases to accommodate the steadily increasing number of bank employees. When the Chase National moved out of the Clearing House Building to the rear of the Guaranty on Pine Street, the trust company took over those quarters, and when they became crowded it was necessary to begin the erection of a new annex on Cedar Street. A connection is now being cut through the back of the main banking floor to reach the new building. The room originally designed for the bond department will be divided into private offices for the chairman and president. It is not likely, however, that Mr. Sabin will make much use of his new office.

He has always occupied a desk on a platform near the front of the bank, where customers and employes could walk in upon him unannounced. How he sees the number of people that call upon him each day, and still have time for all of his correspondence and directors' meetings is a puzzle. His mind works with the speed and precision of an adding machine; he goes directly into each question that is laid before him, and he has a wonderfully efficient organization of the departments of the bank to clean up all of the routine. He has an even disposition that goes with perfect health, and he never allows himself to become irritated under any ordinary provocation. When he has done a week's work in four days he escapes to Southampton to play golf or polo. He has long since dropped baseball, but he has never given up active participation in some form of athletics. Perhaps that is why, at the age of 49, he radiates vitality, enthusiasm, and good humor. In the heart of a district where gloom and optimism succeed one another every few hours, he never appears discouraged. A humorous expression always lurks in his eyes, and while he can be deadly earnest on occasion, he much prefers to smile. He believes in the United States, the Guaranty Trust Company, and Charles H. Sabin, and is always going after new business on that platform.

PERSONAL

MAJOR HARRY STAIRS, a Halifax boy is returning to his native city from Montreal to be the local manager of the Royal Trust Company which has apparently decided to make a more intensive canvass than it has yet made for business in this field. Major Stairs will doubtless be glad to return to his native city where he is so well known and universally respected, and that he will be a great success will be the sincere wish of many friends. He is a veteran of the South African War.

LIEUT HUGH WATSON, whose death has taken place in England at the age of 21 years as the result of wounds received in the battle at Vimy Ridge in April last, was a son of W. G. Watson, assistant general manager of the Toronto General Trusts Corporation. Another son, Lieut. Hal Watson, is in the trenches. Mr. Watson will have the sympathy of many friends in the financial and business world in the loss of his son who has given up his life in the supreme sacrifice for his country just as the portals of manhood were opening to him.

J. BURTT MORGAN, who held the office of president of the Dominion Life Underwriters' Association last year and was indefatigible in his efforts to build up that organization, passed away last week at his home in Victoria, B.C., where he held the position of manager of the Great-West Life Assurance Co. Born in Fredericton, N.B., fifty-one years ago, Mr. Morgan was originally a Baptist clergyman. Because of ill-health he gave up the ministry and took up life insurance. In 1907 he went to Edmonton as manager for the Great-West Life in Northern Alberta but the rigors of the climate told on him and a few years ago he removed to the coast. He was a brilliant salesman and a top-notcher in the life insurance business. In recognition of his exceptional abilities he was elected president of the Dominion Life Underwriters' at their convention in Hamilton last year. He spent his year of office in organizing work and over-exerted himself to such an extent that after the Winnipeg meeting he collapsed and never recovered.

JOHN McKERGOW is included in the list of "Sun Life Celebrities" in an issue this week of the official organ of the Sun Life Assurance Company. Mr. McKergow, who is Mayor of Westmount, a couple of weeks ago made a statement to THE FINANCIAL POST protesting vigorously against the suggestion that Westmount should be added to the city of Montreal, and forced to assume liabilities which Westmount under a different form of government had escaped in large measure. Mr. McKergow, who was born in England in 1847, came to Canada at the age of two. When sixteen he entered the Grand Trunk stores department, but at 21 took a position with A. A. Ayer & Co., a large produce house, and in 1872 became a partner, retiring from the board in 1913. Besides being a director of the Sun Life Assurance Company, Mr. McKergow is President of the Montreal Lumber Co., and a director of the Crown Trust Company, and the Lyall Construction Company. In 1897 he was chosen President of the Montreal Board of Trade. In Westmount Mr. McKergow has been chairman of the school commission, and is now occupying the office of Mayor for the third term.

CARL RIORDON, the Vice-President and Managing Director of the Riordon Pulp & Paper Company, was forced to rise and respond to cheers of the members of the Victory Loan Committees at a luncheon in Montreal last week, when the Chairman, J. W. McConnell, announced that through his efforts the firm has applied for one million dollars of bonds. Mr. McConnell remarked that this subscription was rather surprising when the special circumstances were taken into account, the "differences" that had existed between the Government and publishers and the news print mills, but the question of price, Government and everything else had been set aside, and the firm had given a magnificent subscription. Mr. Riordon knows the pulp and paper business from the ground up, literally, as he started in at the age of 20 at the Hawkesbury Mill, and went on as manager to Merritton, taking charge of the Riordon Company twelve years ago. With the name of Mr. Riordon was coupled that of his secretary-treasurer, F. D. Whittet. "We don't need to cheer for him," was Mr. McConnell's comment, "for he's been at work with friend Watt (Chairman Employees' Committee) for the last five weeks."

E. H. GARY, chairman of the United States Steel Corporation, had a youthful ambition to become a judge, and gained it an early age. The judge had many entertaining experiences in those early days in Illinois, writes B. C. Forbes. Rivalry among lawyers was intensely keen, and whenever any important case was being tried, the whole countryside followed the proceedings with intense interest. The lawyers were always trying to think up some new method of scoring.

One lawyer was particularly anxious to impress the jury while making the last argument for the defence in a famous case. Warming up to his subject—it was in the summer time—the lawyer first took off his coat and laid it on a table. He waxed eloquent for a while, and then off came his waistcoat. Another burst of oratory, and he stripped the collar and tie from his neck and piled them on the table. Finally, as a climax to his exhibition, he threw his suspenders over his hips and wound up his fervid peroration with a perspiring bow to the jury and, "Gentlemen, I thank you for your kind attention."

The lawyer for the plaintiff walked up to the table to reply. He looked at the jury for a moment, divested himself of his coat, and carefully placed it on the table. Without saying a word, he next, very deliberately, took off his vest. After that his collar and tie joined the pile. Next he followed the example of his rival by unshouldering his suspenders. Then, without uttering a word, he backed away about ten feet, suddenly executed a sensational handspring, and landed in front of the jury. "Gentlemen," he said, "I thank you for your kind attention," and sat down! Everybody in court—except the defendant's lawyer—roared.

AS OTHERS SEE US

THE SCAPEGOAT.
Edmonton *Bulletin*.

The FINANCIAL POST says: "With the conclusion of the inquiry into the affairs of the William Davies Company—a conclusion almost dramatic in the quelling effect of the clear and convincing statement of Sir Joseph Flavelle—the question again arises as to who and what directed the attack upon him." Not exactly that. The question suggested is why the attack is made upon him only. There are others.

PACKING INTERESTS ANGRY.
Manitoba *Free Press*.

THE FINANCIAL POST of Toronto, which is truly an organ of Big Business, is furious over the action of the Union government in putting the packing houses under government control upon conditions which will limit profits to a maximum of 11 per cent.; and is voluble with its prophecies of disaster. Its argument covers the points that the huge profits made by the packers are on volume, and that their relation to the cost of pork products to the individual purchasers are infinitesimal; that the packers, deprived of the lure of big profits, will not extend their establishments; and that this will in turn limit the market for Canadian hogs, depress prices and discourage production.

These are plausible Big Business arguments, but they will not influence the public, which has been plundered by the food profiteers, except to encourage them in the belief that the government is at last doing something to stop the merciless exploitation of the people. There might be something in THE POST'S plea if it were proposed to exercise government control of the kind indicated in times of peace. But these are times of war, when much that might not be desirable in peace is highly necessary. There is no danger of any failure of a market for hogs produced under present conditions; no danger either that any packing house in a large way of business will earn less than 11 per cent., which is quite enough. As for the prices paid to farmers for hogs they are bound to be at the top notch while the war is on and for a considerable period after peace comes. When new conditions come after the war they will be recognized and dealt with by the people through their agents the government.

CURRENT OPINION

THE SALMON FISHERY PERIL.
Vancouver *Province*.

The report of British Columbia fisheries shows that this province is well ahead of any other in fish production. But it shows also the danger of losing that leadership through the destruction of the splendid salmon which are natives of the Fraser River. This calamity is occurring before the eyes and with the full knowledge of all the people concerned. They all know that it may be stopped and most of them are ready to pay the price. Canada is the birthplace of these salmon but most of the fish are killed beyond the Canadian jurisdiction by citizens of the United States. The Government of Canada is anxious to preserve these fisheries. So is the Government of the United States. So are fishing interests in British Columbia and the British Columbia Government. Yet it is not done. If the fishermen in Washington and Oregon States, who are likely to lose more than any other people by this destruction of the Fraser River salmon, would join in saving the stock this great fishery would be preserved forever and perhaps increased. But all the authorities tell us that it can not be done without restraining the outside fishing.

WHEN LLOYD GEORGE WAS "POPULAR."
New York *Evening Post*.

Lord Northcliffe at a Washington luncheon was talking about the British Premier.

"Mr. Lloyd George is the idol of the nation now," he said. "It is hard to believe how unpopular he was, at least among the Unionists, once.

"Among the many stories circulated about Mr. Lloyd George's unpopularity at that time there was one which concerned a rescue from drowning.

"'The heroic rescuer, when a gold medal was presented to him for his brave deed, modestly declared:

"'I don't deserve this medal. I [illegible] nothing but my duty. I saw our fri[illegible] there struggling in the water. I k[illegible] he must drown unless some one sa[illegible] him. So I plunged in, swam out [illegible] him, turned him over to make sure [illegible] wasn't Lloyd George, and then lug[illegible] him to safety on my back.'"

SAVING BILLIONS FOR UNCLE SAM

How Committees of Business Men Have Made Great Savings in Purchase of War Supplies—Experts Supervise Contracts.

By a Staff Correspondent at Washington.

WASHINGTON, D.C.—At the corner of 18th and D Streets is a long, low building, with innumerable wings and a general air of intense activity. At any hour of the day the curb is crowded with motor cars of all descriptions, and there is a constant flood of people pouring in and out the main entrance. It stands on a corner of the extensive park system, behind the White House, and the activity which prevails appears a little strange in this usually quiet corner of the capital city.

This is the headquarters of the Advisory Commission of the Council of National Defence. The building is a temporary one, erected in 50 days (as already told) in order to save on office rent. When the war is over it will be torn down and the park around will regain its wonted air of calm composure. In the meantime this building is about the most interesting corner of Washington. Certainly it houses one of the most extraordinary organizations the continent of America has ever seen.

When you get inside, an elderly gentleman takes your card and courteously turns you over to a messenger. He is affable, efficient and extremely busy, and it is interesting to know that he is a retired wholesaler of comfortable means. He has found a way of "doing his bit," and he works steadily from 9 to 5. At various parts of the building are found barricades with anterooms for waiting visitors, and other affable old gentlemen are there to see that you are attended to promptly. They may have been bank presidents in their active business days. They also are doing their bit.

The building is made up of small offices with beaver board partitions, and in each office sits a man hard at work on some phase of national organization. All these men have fitted themselves as units in the organization and are cheerfully accepting the unusual conditions entailed. In their own businesses they sit behind mahogany desks, with batteries of secretaries to protect and assist them, for practically every one is or has been the head of some well known business concern. Some of them are giving their whole time at Washington. Others come down for three or four hours a day. All work without a cent of remuneration, and in order to do this many have given up $50,000 salaries.

There are several thousand connected with the organization altogether and only 80 are paid, practically all of the salaried employees being stenographers and clerks.

The most astonishing feature is the discipline that prevails. Bear in mind that each of these men has been the head of some big concern or other, and possesses the matured judgment necessary to perform executive work. Break in on any one of them, however, with a request for information and he will refer you politely to the head of his committee and the chairman in turn will refer you to Grosvenor Clarkson, the secretary of the Commission. Mr. Clarkson is a young man who typifies accurately the popular conception of the American super-business man. He is quick at decisions, dynamic, has his work at his finger tips, knows everything that is going on. Generally he will tell you what you want to know, for the haze of mystery that most Government officials like to wrap about them has been discarded here. Business men are accustomed to working in the open.

The Germ of the Idea

It is impossible to definitely fix the credit for the formation of this extraordinarily useful body. That the idea originated long before the United States entered the war is certain, however. The Chamber of Commerce of the U. S. A. had long been agitating for this. The Chamber is a national organization made up of Boards of Trade and Chambers of Commerce and trade organizations of all kinds—manufacturers, wholesalers and retailers. Its membership runs close to the half million mark, and it, therefore, represents in a national way, and a very thorough way, the business men of the country. The Chamber of Commerce was early in the field with an agitation for national defence measures and for the co-ordination of Government with business. On April 8, 1916, a questionnaire was sent out to all members on several vital points and very decided verdicts were secured. The vote, by organizations, went 911 to 45 in favor of National Preparedness and 924 to 46 in favor of the formation of an Advisory Commission of business men.

Unquestionably the unanimity with which the business men of the United States demanded national preparedness had much to do with the legislation which shortly afterward came before Congress. In June, 1916, the Army Appropriation Bill contained a provision for the formation of the Council of National Defence, made up of six members of the Wilson Cabinet, and for an Advisory Commission to be made up of seven prominent business men. It was not until early in 1917, however that the organization was actually completed and the work started. It needed the impetus of American participation to start the wheels to turning.

About one thousand business men in all were brought into service. Committees and sub-committees were appointed, until it was felt that each essential branch of industry had been covered. The work of these committees was, briefly, to organize the industries, to gather complete information, to advise the Government in the matter of war orders, to improve specifications, to assist in releasing men for service.

The Results Achieved

Perhaps the most tangible result was the economy effected in the purchase of war materials. It has been an accepted principle always and everywhere that any private person or corporation selling anything to a government is entitled to gouge that government unmercifully. The tendency has been aggravated by our system of party government and the accompanying evil of party patronage. Where governmental orders go to party supporters there is redoubled chance of profiteering. Certainly governments have always had to pay twice over and the people have footed the bills generally without a murmur.

The Advisory Commission decided that the time had come to stop all this. Instead of paying fancy prices for everything, the government was going to insist on rock bottom prices. Profits enhanced by war conditions were going to be squeezed out.

They met one day to get this principle imbedded and to decide on a line of campaign. The commission is composed as follows: Daniel Willard transportation and communication (president Baltimore & Ohio Railroad), chairman.

Howard E. Coffin, munitions and manufacturing, including standardization and industrial relations; vice-president Hudson Motor Co.

Julius Rosenwald, supplies (including clothing), etc.; president Sears, Roebuck & Co.

Bernard M. Baruch, raw materials, minerals and metals; banker.

Dr. Hollis Godfrey, engineering and education; president Drexel Institute.

Samuel Gompers, labor, including conservation of health and welfare of workers; president American Federation of Labor.

Dr. Franklin Martin, medicine and surgery, including general sanitation: secretary General American College of Surgeons, Chicago.

A Precedent Needed.

They got around a long table in a small temporary office in Washington and "Dan" Willard — big, forceful, sparing of words—laid down the principle on which they would need to work.

"A precendent," he said, "that's what we need. If we can get one deal over on the right lines, it will drive the fact home that war orders are to be put on a new basis."

They talked it over carefully. One can imagine them as they sat around the table. "Dan" Willard at the head: "Barney" Baruch, equally massive and affable, but efficient to the last degree: Julius Rosenwald, keen, incisive, with a mind that is razor-sharp; Samuel Gompers, quiet, impressive, almost infallible on matters he understood. These men were engaged on the task of saving billions for Uncle Sam.

The need for a coup was unanimously accepted and the rest looked to "Barney" Baruch, as Chairman of Raw Materials, for the word as to where the effort should be made. He turned it over in his mind carefully.

"Copper," he announced, finally.

So copper was decided upon. The government needed an almost unlimited supply and copper was both scarce and high. It was an ideal place to strike—but a difficult one. However, the big copper men responded to an invitation to meet at Washington and there went into session with the Advisory Commission.

What transpired at that meeting will probably never be known, but when the conference broke up the Government had put through a deal for 45,000,000 pounds of copper at less than half the market price. A saving had been made of $10,000,000.

The copper deal had exactly the effect that had been hoped for. The news penetrated business circles like an electric shock. Here was something entirely new — profits being shorn away from war orders, business putting patriotic motives ahead of profits! Men started to think, to revamp their ideas of what constituted patriotic duty. It is safe to say that men engaged in filling war orders have approached the price problem in a different frame of mind ever since that magnificent deal in copper was made. Ship plates selling at $160 a ton have been purchased by the government at $58. That is just one sample of what has occurred. Dozens of others could be quoted.

The Cantonments.

The great test of the usefulness of the committees came when the cantonment question arose. Uncle Sam had a million or more troops to go into camp, and the securing of the multiplicity of supplies needed was a gigantic task. Practically every contract for cantonment equipment was let on the advice and recommendation of advisory committees. It would be impossible to compute the time and money saved through the work of the experts who guided the inexperienced hand of the Government in creating the cantonments.

The point can best be driven home by telling of a single instance. Take duck for tentage.

Just for Instance—Take Duck.

It was necessary, of course, to have tents for the men, and the matter of duck for tentage was a very important one. What was the dismay of the Government purchasing agents when they found that they could obtain practically no duck at all! In the first place. the manufacturers of the various varieties of duck were literally suffocated with orders and could not see how they could produce another square inch. In the second place, none of the duck being turned out was quite suitable for the Government specifications for tentage. Here was a hot potato for the purchasing agents to handle! They promptly turned it over to the Advisory Commission. It gradually sifted down to a special committee.

The personnel of this committee was a particularly fortunate one. At the head was A. L. Scott, president of Lockwood, Greene Co., who knows just about everything there is to know about cotton. He might almost be termed an architect of the cotton industry. A manufacturer aiming to start a new cotton mill can leave everything connected with the matter in Mr. Scott's hands—selection of site purchase of plant, installation of same planning of sales policy, everything in fact connected with that new business, even to the raising of capital. So it follows that Chairman Scott knew considerable about duck.

With him was the retired president of a large cotton mill, who was relied upon for expert information on matters pertaining to waterproofing—an important feature of duck for tentage. There has always been a great deal of mystery about waterproofing. Each manufacturer has had his own special processes and devices, and he has guarded them with the jealousy of a Midas. Well, this man knew as much about waterproofing as any man in the Union. Then there were several buying experts—men of long experience and tried probity.

So it was a compact and shrewd committee that took up the problem of finding tents for the new army.

The first thing they did was to get complete information as to the number and capacity of the looms in the country. Then they summoned, first, the tire duck manufacturers to Washington to talk the situation over. The tire men, six in number, came down.

"How much can you give us?" asked Scott.

The six in concert voiced the impossibility of doing anything. They were loaded up with orders as it was and the tire people were pressing them hard. Their plants were running at top capacity as it was. However, it developed that the spring—this was in early spring—was the rush season. There was a certain amount of relief toward fall and through the winter.

"Well," said Scott, "we'll let you off with 25 per cent. of your output. We've got to have that. You can make it up by continuing your spring rush right through the year."

"But we can't make the duck according to your specifications," they protested. "You need it in 30¼ in. widths. We can make only 60½ in. and 90¾ in. widths."

"That is our problem," replied the committee. "You give us a quarter of what you make and we'll find ways and means of adapting it."

The tire men promised and departed. Next came the carpet manufacturers, and the committee met them with a stiffer proposition still. Carpets are not so essential in war times as tires, so 40 per cent. of output was demanded. The carpet men finally consented to this. Mind you, the committee was acting without any power of compulsion whatever. They had to do everything by persuasion.

Then they got together and studied the specifications for army tents to see how 60½ and 90¾ duck could be made to fill in where 30¼ was needed. Certain changes in the specifications were finally evolved which made this possible, and to which the War Office consented. When the duck began to arrive from the manufacturers it was thus found possible to make use of it.

And in due course tents were provided for 500,000 soldiers!

What Lack of Co-operation Meant

This incident is typical of the kind of work the committees were doing all along the line. As a further evidence of their usefulness cases might be quoted where the Government proceeded without consulting the committees. Trouble of a serious kind often ensued.

Take the case of steel distribution. Steel is the great bone of contention between Government and business today. There isn't nearly enough steel to go around. The scarcity can best be illustrated by showing how things are going in the matter of steel plates. In a recent issue the *Saturday Evening Post* stated that the total output of steel plates would be 1,800,000 tons in 1918 and that the Government would need 1,600,000. These figures are not correct, and they err on the side of optimism. The figures conceded by Government officials at Washington show that the total production cannot exceed 1,650,000 and that the Government will need 1,800,000 tons!

It will readily be seen that the Government is finding it necessary to watch steel production and to absolutely control it. About a month ago a peremptory order was issued to the United States Steel Corporation not to give another pound of steel to the automobile manufacturers for use in making pleasure and business cars. No one had been consulted, and when the word got out there was consternation and indignation. It meant that the automobile industry and all the allied industries, except for the manufacture of war trucks and cars, would stop. The effect of such a stoppage can be imagined.

After proper representations had been made to those higher up, the order was rescinded, and a committee of three to represent the manufacturers was invited to go to Washington to consult with the Government and find some means of equitable adjustment. It is interesting to note how the three were selected. One was chosen by the association of automobile manufacturers, one by the accessory people, and one by Henry Ford! The Ford concern does not belong to the association.

This committee came to Washington and had a long series of conferences with the authorities. An agreement was reached, which apparently meets the views of both sides to some extent at least. The terms are being very carefully guarded.

Contrast what occurred in this instance — the dissension, worry and trouble caused by the Government acting first without consulting the industry concerned—with the cases where the two act in harmony! The necessity for co-operation is then very apparent.

Editor's Note — *The next article will deal with the steps which are now being taken to strengthen the organization of advisory committees and put them on a better basis still.*

MOVED MANY TROOPS.

To Date a Million and a Half U.S. Soldiers Carried.

Fairfax Harrison, chairman of the Railroads' War Board, states that troop movement figures to date in United States indicate that the railroads have safely transported approximately 1,500,000 soldiers to training camps and embarkation points since August 1. Five hundred housand of these men have made journeys necessitating overnight travel and have been moved in tourist or standard sleepers furnished by the Pullman Company.

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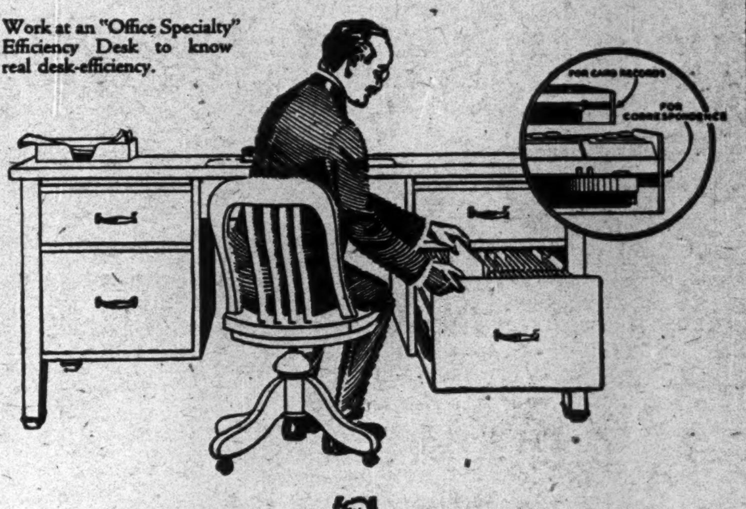

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NEWS OF THE BOND MARKETS

MARKET IS IN A CONDITION OF UNCERTAINTY

Nothing to Indicate How Prices of Municipals Are Going to Move.

WAR LOAN BOND PRICES

There Are Now Six Maturities on the Market and Price Conditions Have Become Matter of Considerable Interest.

This week the bond business is in a transition state. The Victory Loan campaign is being wound up on the one hand and the neglected threads of the municipal business are being picked up on the other. There is vast uncertainty about the probable movement of prices, and no one knows just how the market will act until its buying power is tested out. That it will be approached very cautiously is evident. Some dealers are inclined to think that there is still a good deal of money ready for investment, held by people who want something a little more attractive than 5½% government securities. These people, of course, may be looking for bargains and will be inclined to hold back until prices are driven to still lower levels. A good deal is bound to depend on war loan allotments If, as is hinted, the big institutional investors are relieved of a percentage of their subscriptions, the buying power of the market will be enhanced to that extent.

Pending the appearance of new municipals to determine the general level of the market for these securities, interest is centering in the behaviour of the various war loans, of which there are now six maturities in existence. A line of argument put forth this week places the value of the first loan bonds at about 95¼ and interest; the second loan at 93¾ and interest and the third loan at 92¾ and interest; these figures being on the assumption that the Victory bonds are selling at par.

Conversion Privileges.

Were all the bonds mentioned to be without conversion privileges, such price estimates, based solely on yield values, would be accurate enough. But it must not be overlooked that the first loan bonds have a cash value of 97.50 in respect to any future loan and that the bonds of the second and third loans are convertible at 96 into any subsequent issue of twenty years or upwards. If, as may be taken for granted, a second Victory Loan will be floated in the fall of 1918, these conversion privileges have a very real value and the present market price of the three kinds of bonds should to a certain extent reflect that value.

It is quite true that these bonds may sell even lower than the prices mentioned but that will not be because of any lack of relative attractiveness but because the Victory bonds will presumably sag a bit under their issue price. This brings up the interesting point as to whether the latter are going to experience a similar decline in price to that experienced by the third loan bonds or whether steps will be taken to maintain their price. Among bond dealers diverse views are held. Some are very strongly of the opinion that the government should devise means to support the market so long as more war loans are in contemplation. Others, while recognizing the desirability of keeping up the price, do not see how that end could be adequately accomplished. Still others claim that there should be no interference, but that the market should be a natural one.

The Relative Demand.

There is another factor which should not be overlooked and that is the relative demand for the various maturities. If the first three loans have been at all extensively converted, there should not be a great deal of these maturities offering and consequently the market should remain fairly steady. Then the question arises, which maturities will be in greatest demand. The likelihood is that the five and twenty years bonds will have the largest call, which will have a tendency to hold the value of the twenty year variety well up to, if not above, the value of the intermediate varieties. This is borne out by the standing of the Canadian five, ten and fifteen year bonds in New York, where for some time the fifteen year kind have been worth more than the ten year.

THE U. S. MARKET.

Municipal Bonds Reach New Low Prices in November.

With selling values on a new low level and the output of bonds considerably restricted, the municipal bond business towards the end of November showed signs of becoming more active than in October or in the early weeks of last month. The November total of new permanent issues, brought out by States, cities and towns, according to *The Daily Bond Buyer* of New York, was but $15,138,960, or somewhat less than the October output and about equal to the volume of financing in November of last year.

A study of the important issues sold in November discloses the extent to which prices have fallen off in the last six or eight months. The State of Massachusetts, for instance, sold a $500,000 War Loan bearing interest at the rate of 4¾%, while Worcester, Massachusetts, offered $250,000 4½'s and did not receive a bid. The issue was later disposed of over the counter at par.

Other interesting sales included $1,000,000 Cleveland, Ohio, 4½'s and 5's at a price to net 4.75%; Albany, N. Y., 4½'s at par; $197,500 Grand Rapids, Michigan, 5's and $107,000 Green Bay, Wis., 5's to net about 4.80%; and $359,000 Miami, Fla., 5½'s and 6's on a basis of 5.70%.

Municipal bonds are now selling at the lowest prices reached in at least twenty-five years, states the authority quoted above.

The following table, compiled by *The Daily Bond Buyer*, of New York, York, shows the sales of American State and municipal bonds for November and the eleven months ending November 30 for the last ten years:

	November	Eleven Mos. End. Nov. 30
1917	$15,138,960	$442,602,425
1916	14,391,552	449,930,940
1915	22,608,415	445,593,784
1914	13,362,997	395,558,215
1913	32,110,540	359,977,764
1912	12,494,414	367,483,498
1911	22,704,923	416,989,800
1910	19,714,590	276,542,182
1909	21,741,857	310,604,299
1908	28,909,650	297,611,192

TRAMWAYS CO. LOSES IN SUIT WITH MONTREAL

Suburb Illegally Exempted Property Before Annexation—City Must Pay $50,000 More on Expropriation.

An unusual case was decided by the Court of Review this week in a judgment in favor of the city of Montreal against the Montreal Tramways Company. This was an action to recover $780 alleged to be due as taxes on a property at Ahunsic, for the years 1913, 1914 and 1915, which the company claimed had been exempted from taxation for thirty years from January 1, 1893, a period before it was annexed to the city. The chief point at issue was whether the municipality of Sault au Recollet had the right to exempt proprietors of electric railways.

The company relied on the French translation of the statute; the judgment was rendered on the English form. In the French the words used to denote those businesses that could be exempted were "enterprise quelconque," but in the English this read "manufacturing enterprise whatsoever," and the judge upheld the city's claim that the word "enterprise" was limited to a factory, which the radial was not. "We are entitled," said the court, "to explain the wider and more general French version by the narrower and more restrictive English version." Moreover, the following year the Legislature had passed an act allowing exemption to be granted to tramways, steam or electric, and this would not have been passed if the earlier legislation was sufficient. For the ten years left the taxes at the same rate would be some $3,000.

Another case of municipal taxation was also decided in favor of the city, for $845.76, due on 9,000 feet of land adjoining the estate of the late William Smith, but which the estate claimed had been set apart for a public highway. The court decided that as the estate was in possession of this land and could rent or even sell it, subject to this restriction, the land was not exempt.

A third decision was rendered by the second division of the Court of Review, this time against the city of Montreal, which was condemned to pay costs of 2 per cent. in connection with the St. Joseph Boulevard expropriation, which, as this exceeded two million dollars, will amount to some $50,000. There was a test case over one section of land, in which the city made a deposit but did not deposit the balance within two months. Nor were the proprietors liable to the tax on that proportion of the award that the city had deposited.

Victory bonds will be accepted by the municipality of Saanich, B.C., in payment of taxes, at the market price. It is the intention of the council that any bonds so taken for taxes should be transferred to the sinking fund as fast as revenues accumulate in that account.

Hamilton will face a heavy overdraft at the end of the year, owing to committees sanctioning expenditures in excess of appropriations.

S. VANCOUVER IS FACED WITH DIFFICULTIES

Treasury Certificates to Value of $790,000 Are Falling Due.

CURRENT LIABILITIES, TOO

If Satisfactory Arrangements Cannot Be Made Locally, Government Will Be Asked To Take Control.

The financial affairs of the district of South Vancouver, in which municipality many eastern bondholders are interested, was explained at a special meeting of ratepayers recently by Councillor Mengel, chairman of finance. Councillor Mengel stated that, while the district was better off than a year ago, yet because the council had lost the confidence of the municipal bankers, it was in the position of having no means to carry on. He suggested that the only way out was for the ratepayers to select "honest capable business men," and elect them as reeve and council in January next, with authority to ask the provincial government to take control, if financial arrangements cannot be made. The root of the trouble, of course, was inability to collect taxes. During recent years collections had only been between 35 and 50 per cent. of the levy.

The 1917 Arrangements.

At the beginning of 1917, Councillor Mengel said, it was estimated that $632,390 would be required to meet liabilities to the end of the year, but of that amount only some $300,000 had been collected. Early in the year, he said, the council issued treasury certificates against arrears of taxes of a face value of $450,000, which was utilized to repay a bank overdraft of $240,000, and to pay other outstanding accounts. The bank then agreed to advance $100,000 against current taxes, of which, he said, $65,000 had already been repaid, and the bank was now pressing for a further $20,000, leaving an overdraft to carry over to 1918 of $15,000. In addition to that, he said, the council failed this year to provide for $26,000 for the Joint Sewerage Board, and $72,000 sinking fund, which should have been put in the estimates; there was also, he said, $150,100 due to the sinking fund for 1915-1916, and a further sum of $46,439 due to the sewerage board, as well as $100,000 sinking fund money which has been loaned on mortgage, and for which all the municipality now had to show was property that probably would not bring in that amount to-day, though it might in the future.

To Redeem Certificates.

The council of 1917, he said, had kept fairly close to the estimates, but it would be necessary between now and January next to make some arrangement to raise $790,000 to redeem treasury certificates which fall due in March and May. But, he said, if provision was not made to redeem the certificates before January 15, Messrs. Spitzer, Rorick & Co., under their agreement with the municipality, had the right to sell $989,902 worth of unsold local improvement bonds "at the best price obtainable."

Serious though the financial situation was, he said, the municipality was really better off than a year ago, but the council had not the means to carry on, and it would be necessary to make arrangements not only to redeem the treasury certificates, but also to raise $474,000 early next year for current liabilities.

The only solution, he said, was to obtain from the government power to borrow against tax sale property, say $140,000, a further sum of $200,000 against 1917 arrears of taxes, and $134,000 against 1918 taxes. To do that, Councillor Mengel, said it was necessary to elect to the council "honest, capable business men," and to give them authority to ask the government to take control if other financial arrangements could not be made.

VICTORIA'S FINANCES.

Arrears of Taxes Cause Much Trouble in Coast City.

At a recent meeting of the Civic Retrenchment Association of Victoria, B.C., a report was presented by A. E. Haynes, who had been investigating the city's finances. This report declared that the amount of taxes which were paid in the course of the last four years was: 1913, 86 per cent.; 1914, 82 per cent.; 1915, 70 per cent., and 1916, 60 per cent.; leaving the city, it was said, practically one year's taxes in arrears out of the four. In addition the report estimated that the collections this year would not be better than 60 per cent., and that by the end of the year the city would have unpaid taxes in excess of $2,500,000.

In reading the report Mr. Haynes contended that the taxes in arrears were not taken into consideration by the city's officials when striking the rate for the year. The amount required was figured, he said, the amount necessary to pay was struck, and then, if the money did not come in as it should, towards the end of the year drastic economies were put into effect to endeavor to make the money available last out.

Mr. Haynes maintained that the sinking fund was over $900,000 short of the amount which should have been in it, charging that the money had been used by the city for current expenses. The collections under the head of general revenue were at present $1,400,000 in arrears, he said, and that local improvement taxes to the amount of $1,300,000 were unpaid, and the shortage of $600,000 which was expected this year would show the city to be $3,300,000 in the hole. He claimed that if this was collected the city would only need $400,000 to carry it through the year, after making good the alleged shortage in the sinking fund.

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$50,000.00

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THE GREAT WEST PERMANENT LOAN COMPANY

WINNIPEG TORONTO
VICTORIA REGINA CALGARY
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LONDON, ENG. EDINBURGH, SCOT.

Canada Permanent Mortgage Corporation

Toronto Street, Toronto

Quarterly Dividend

Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT. for the current quarter, being at the rate of

Ten per cent. per annum

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

Wednesday, the Second Day of January

next, to Shareholders of record at the close of business on the Fifteenth day of December.

By order of the Board,

GEO. H. SMITH,
Secretary.

Toronto, November 28th, 1917.

FIELD OF MUNICIPAL FINANCE

AFFAIRS OF SASKATOON ELUCIDATED

Comprehensive Report on Finances of City Issued by Commissioner Yorath.

POSITION IS STRENGTHENED

Tax Collections Have Shown Improvement This Year and Capital Expenditures Are Being Rigorously Reduced.

If the affairs of all cities were presented in the same illuminating form as are those of Saskatoon in the annual report of its City Commissioner, there would be less excuse for ratepayers professing ignorance of municipal business. The 1917 report presented by Commissioner Yorath of Saskatoon is a model of what such a document should be,—clear, orderly and comprehensive, and it would well repay other municipal officers to secure and examine a copy of the work.

The Commissioner has divided his report into four sections, dealing with the debt, second with revenues and expenditures, third with administration of departments and fourth with the essential factors governing and controlling the ideal development of the community.

Saskatoon's Debt.

The debt of the city at October 31, 1917, was $9,880,818, of which $8,290,118 or 84% represented all charges except schools. Deducting from the latter, water works, electric light, street railway and local improvement debentures, amounting to $4,523,400, and the net general debt is shown to be $3,766,718. The sinking fund in respect to the net general debt is $447,076 and there are debentures redeemed of $5,640, so that the net debenture debt, exclusive of schools, is $3,314,000.

To October 31, the city had raised on account of sinking fund $1,078,236. This amount is kept in a special sinking fund reserve account and has, with the exception of $67,178 cash in the bank, been invested in the following securities:—

City of Saskatoon debs. and stock	$193,362
Dominion of Canada War loans	362,500
United Kingdom, gold bonds	400,000
	$955,862

The interest yield on the foregoing investments average 5.73%, which is 1.73% in excess of that upon which the levy is based. In consequence there is an amount of $18,647 in the fund in excess of that required to be levied, in addition to a surplus of $23,244, which represents premiums on debentures sold above par in 1912.

In urging a curtailment of capital expenditure, Mr. Yorath points out that the Dominion debt is growing so rapidly that increased Dominion taxation is inevitable. "Before the war the debts of municipalities exceeded the combined debt of the Dominion and the provinces so that it will be realized, in order to effect true economic development of the Dominion, it is first necessary to give attention to the individual units responsible for a very great part, if not the greater part, of the country's taxation, i.e., the local authorities."

As to the handling of those capital expenditures that are absolutely necessary, the Commissioner believes that the only way these can be satisfactorily financed under present conditions is to purchase with sinking fund moneys the debentures needed to cover the cost of the work.

Tax Collection.

An interesting section of the report is that concerning revenue and expenditure. It is gratifying to learn that taxes are now being much better met. Since the beginning of the year the average monthly collection has been $93,514, which compares with $78,286 in 1916. The total collections for the first ten months of 1917 were $935,142 and for the first ten months of 1916, $762,863 an increase of 22.5%. This includes, of course, the payment of tax arrears.

Commissioner Yorath makes a special plea for prompt payment of taxes. On account of postponing payment, the city has to carry a heavy overdraft at the bank, interest on which will probably total $20,000 by the end of the year. During the last two years business has been almost completely changed from a credit to a cash basis and taxes should be paid on the same principle.

Departments.

The present year has been one of the most successful in the history of the electric light and power department. It is estimated that a surplus of $35,000 revenue over expenditure will be earned by the end of the year.

Last year was the first since the inception of the street railway that a profit over operating expenses, including fixed charges, was made, i.e., $1,165. This year, although the number of passengers carried was greater than last year, on account of the increased operating expenses the profit at the end of the year will be approximately $500.

REGINA'S CYCLONE LOAN.

Finance Committee Recommends Paying It Off in Instalments.

At a recent meeting of the special committee of the Regina city council, the following report was submitted by the cyclone loan and mortgage committee:—

"Your cyclone loan committee begs to report having given due consideration to the matter of the letter from the Hon. Chas. A. Dunning, dated September 11th, 1917. In response to the said letter your committee again called upon Mr. Dunning and discussed the whole question. After careful consideration we have concluded that it will be necessary for the City to pay the Government an increased rate of interest and to make some more definite arrangement for the retirement of the Loan. We were advised by the Provincial Treasurer that the Loan was made to the City from proceeds of the sale of debentures by the Government, which debentures mature the beginning of 1919, that the cost of the debentures to the Government is greater than the interest rate charged the City for the Loan, and that when the Government is required to make new arrangements for the money the cost will be considerably in excess of 6 per cent. from all indications. We are of opinion that the Government will give favorable consideration to either of the two proposals outlined below. We have to recommend that the latter proposal be the one adopted, and that we be authorized to negotiate with the Government on the basis thereof.

"No. 1.—The Loan be extended for 10 years with a payment of $50,000 a year, and interest at 6½ per cent.

"No. 2.—The Loan be extended for 5 years, with a payment of $10,000 a year, and interest at 6 per cent.

"In the event of either proposal being adopted, it will be necessary that the City issue debentures year by year for the amount suggested, or such portion thereof as is not made up by repayments on the City Cyclone Loans."

A special department of government to deal with municipal affairs was forecast in the speech from the throne delivered at the opening of the Quebec Legislature this week. A bill will be submitted empowering the government to establish such a department.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

December 14, Stouffville. — $24,780.43 5½% debentures of the village of Stouffville, dated Sept. 15, 1917, and approved by the Ontario Railway and Municipal Board.—J. Urquhart, Village Clerk.

BY-LAWS PASSED OR DEFEATED.

Whitby.—$25,000 loan to the United Rubber Manufacturing and Reclaiming Co. of Toronto, passed by the ratepayers, Nov. 26, 362 for and 42 against.

Leamington.—$1,400 to pay for construction of sidewalks, provisionally passed by council, November 20.

Guelph.—$4,213 to provide for construction of pavement on Liverpool Street, passed by council, November 19.

Winnipeg. — $500,000 for additional school accommodation, passed by the ratepayers, Nov. 30, 4,012 for and 2,024 against.

Galt.—$45,000 to pay for extensions to hydro-electric system and $18,558 for extensions to waterworks system, passed by council, December 3.

BY-LAWS TO BE VOTED ON.

Dec. 18, R.M. of Sifton, Man.—$59,800 to construct a system of highways and roadways within the municipality, under the terms of the Good Roads Act, 1914.

Dec. 10, Lumsden, Sask.—$7,000 to acquire the plant and equipment of the local electric light and power company.

DEBENTURE NOTES.

Sherbrooke, P.Q.—The city attorney has been instructed to prepare a by-law authorizing the city to issue debentures to the amount of $150,000. This sum is made up as follows: New power dam, accessories, generators and turbines, on Frontenac street, $116,000; turbines, transformers, regulators, tools and apparatus at Rock Forest power station, $34,000.

SASKATCHEWAN.

The following is a list of authorizations granted by the local government board from November 19th to 23rd.

School Districts.—Lamb Hill, $2,000; Glentworth, $2,000; Garvell, $3,700; Lens, $1,865.

Rural Telephone Companies.—Antelope Lake, $7,800; Blucher, $2,900; Lloyd George, $5,400; Colgate, $1,800.

The following is a list of debentures reported sold from November 19th to 23rd.

School Districts.—Westland, $1,800, Goldman & Co., Regina.

Rural Telephone Companies.—Dublin, $4,600, O. L. McQuay, Regina; Wood End, $2,800, Nay & James, Regina; Meota, $1,800, Nay & James, Regina; Bounty, $9,000, Nay & James, Regina.

MUST DEVISE NEW METHOD OF TAXATION

Edmonton is Going Behind by About a Million a Year.

LOCAL PAPER'S CRITICISM

Says Broadening of Basis of Taxation Is Not an Optional or Theoretical Proposition but is Demanded by Facts.

The city of Edmonton has a debt of $31,098,736, of which $4,982,326 represents current liabilities in the shape of treasury notes. The interest payable last year on this debt was $1,819,626, of which the utilities paid $458,757, leaving $1,360,869 to be met from taxes. Debenture and sinking fund payments called for $681,434, of which the utilities provided $242,652, leaving $438,788 to be met from taxation. The total required from taxes to meet interest and debenture payments was therefore $1,799,657.

The current expenses for 1916 were $1,418,848, making with the debt charges, $3,218,050. The following table shows the amount of taxes levied and the amount collected in each of the past four years:—

	Taxes levied (including penalties)	Taxes paid (including arrears)
1913	$3,507,818.31	$2,769,748.29
1914	3,865,324.17	2,397,277.19
1915	3,592,786.35	2,152,157.37
1916	3,365,021.13	2,199,843.11

For the four years, collections fell short of the amounts levied as follows:—

1913	$ 738,070.02
1914	1,468,046.98
1915	1,440,628.98
1916	1,165,178.02

Commenting on this situation the Edmonton *Bulletin* has the following forceful remarks to make:—

"Obviously this cannot go on indefinitely, nor is there in the figures any hope that the situation would right itself if left alone. Either the present outstanding arrears will have to be collected or written off as uncollectable and the loss levied as future taxes. In the long run the problem will probably have to be resolved into a compromise, the city collecting what it can and the balance being added to the tax bills. Whatever means of collection are adopted it is not practically possible to get in all the arrears at once. The process will probably require years, and that the whole amount can ever be collected is doubtful. In the meantime interest has to be paid, from the taxes, on the money borrowed against the unpaid arrears, and in the event the uncollectable balance of the arrears will also have to be made up.

"Aside altogether from the question of arrears, we require, as shown above, three millions per year to meet our debt account and current expenses, and are getting in approximately a million less than that amount. That surely is conclusive proof that the city cannot keep going with the taxes collectable from the present source, if every dollar of arrears were paid up. Generally speaking the taxpayers who can pay are paying; and paying all they can pay, probably paying more than they could continue to pay as a permanent rate. To broaden the basis of taxation is not therefore an optional or theoretical proposal. It is demanded by the uncompromising facts that three millions cannot be paid by two, and that those who are paying the two cannot pay three."

NEW WINDSOR ENTERPRISE.

Toronto Syndicate Promised Water Lots for Ferry System.

Windsor City Council passed a resolution on Monday giving a syndicate of Toronto capitalists, headed by Charles Miller, use of the water lots at the foot of Brock Street, for a new international ferry between Detroit and Windsor. The Toronto men are said to be willing to spend from one-half to a million dollars to start off the new enterprise. Double-ender boats similar to those used between New York and Jersey City will be placed in service. The water lot privilege is granted only on condition that the new company be organized within two years. Failing this, lots will revert to the city.

A half-section of land near Sedley, Alta., was sold last month for $10,660 or at the rate of $35 an acre.

It is reported from Regina that the Grand Trunk Pacific will carry out the original plans for the erection of Hotel Qu'Appelle at this point, with the addition of accommodation in the basement for a passenger station, provided that the consent of the Local Government Board is obtained to transfer the guarantee on terminal bonds.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place and Purpose	Purchaser	Rate	Term	Amount	Price	Basis
Nov. [illegible]	Westland S.D., Sask.	Goldman & Co., Regina	....	.....	$1,800	.....	.....
" 23	Saskatchewan Telephone Co.'s	Various (see above)	7%	15-ins.	18,200	.....	.....

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Government, Municipal and School Bonds

President, Hon. H. B. Rainville
Managers { E. A. Ouimet
F. Saint-Pierre

179 St. James Street, - Montreal, Canada

A NEWSPAPER DEVOTED TO MUNICIPAL BONDS

There is published in New York City a daily and weekly newspaper which has for over twenty-five years been devoted to municipal bonds. Bankers, bond dealers, investors and public officials consider it an authority in its field. Municipalities consider it the logical medium in which to announce bond offerings.

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Smoking Mixture

The art of blending tobacco has reached the zenith of perfection in Piccadilly Smoking Mixture.

2 OUNCES 25¢

Make the Most of Travel

THE passenger to the Pacific Coast is today offered a choice of routes that renders it unnecessary to re-trace his steps and opens up a wealth of new scenery and outdoor sport.

Do not fail to visit Jasper and Mount Robson Parks with their wonderful mountains, gorges, glaciers and cataracts.

Here the protection given to game has increased the quantity and reduced the fear of man. Mountain sheep and goat, the most wary of animals, are seen feeding on the hills, and coming down to the railroad in view of passing trains.

For further particulars see our booklet "The Canadian Northern Rockies," or apply to the General Passenger Department, Montreal, Que.; Toronto, Ont.; Winnipeg, Man

CANADIAN NORTHERN RAILWAY

Announcement

We have started our new Plate Mill, and are Manufacturing Plate from ¼ in. to ¾ in. thick, 24 in. wide, any weight up to 500 pounds.

Dominion Steel Foundry Co., Limited

HAMILTON, ONTARIO

LIVING UNDER THE SHADOW OF WAR

In these dark and uncertain days, only the very best judgment should be employed in selecting investments. Sobered by the lessons of the war, sensible men and women have relinquished schemes to get rich quick by means of speculative securities and they now prefer safe investments yielding moderate interest to questionable ones with high rates. Beneficiaries under insurance policies are often perplexed as to how to invest their monies safely and profitably but the continuous monthly income policy, payable in monthly instalments throughout life, and for twenty years certain, solves the problem completely. It constitutes an automatic safe investment and is issued by

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO, ONTARIO
E. P. Clement, K.C., President Geo. Wegenast, Managing Director

British Colonial Fire Insurance Co.
2 Place d'Armes, Montreal
AGENTS WANTED IN UNREPRESENTED DISTRICTS

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.

SURPLUS TO POLICYHOLDERS, $1,820,752.82

A Canadian Company Investing its Funds in Canada

APPLICATION FOR AGENCIES INVITED.

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Results secured during the past year reaffirm the position of the Sun Life of Canada as the largest life assurance organization of the Dominion.

Fair dealing and progressive business methods have given it leadership in annual New Business, Total Business in Force, Assets, Surplus Earnings, Net Surplus, Total Income, Premium Income and Payments to Policyholders.

Sun Life of Canada Policies are safe and profitable Policies to buy.

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COMPANY OF CANADA
HEAD OFFICE—MONTREAL

THE
Independent Order of Foresters

Furnishes A Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.

Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

Policies issued from $500 to $5,000. For further information and literature, apply to

Total Benefits Paid 53 Million Dollars

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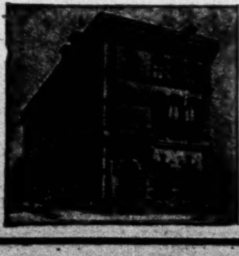

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INVESTORS' INSURANCE NOTES

NEW BUSINESS IN NOVEMBER WAS SMALLER

Owing to Victory Loan Activities of Agents of the Life Companies.

EFFECT NOT SERIOUS

Reduction Was Comparatively Small and Will Not be Prejudicial When Increasing Death Rate Is Considered.

What has been the effect on the life insurance business of Canada of the switching of agency efforts from selling insurance to selling Victory bonds? For three weeks of November the majority of insurance company canvassers were engaged in the Victory Loan campaign, to the complete neglect of their accustomed fields, and it is an interesting point to determine to just what extent the regular life business was affected.

A survey of the field indicates that, in the majority of cases, November totals of new business are below normal. One large company indeed states that its November figures were 25 per cent. ahead of November, 1916, but other companies run anywhere from 66 per cent. to 95 per cent. of last year's total. Monthly objectives set at the beginning of the year were reached in but few cases.

Results Satisfactory.

On the whole, however, considering that so many men were away from work, the showing has been remarkably gratifying. The slump was not nearly as extensive as might have been anticipated. This was brought about very largely by the extra efforts which were put forth by such agents as were not engaged in the bond selling campaign; by the good work of the whole agency staffs in the two weeks preceding the launching of the loan; and by the splendid co-operation of the field men in the United States, who realized that it was their duty to do extra well to make up for the shortage in Canada. Altogether, the month was by no means a failure.

That the real effects of the cessation of effort in November will not be felt until December and even January is the view in some quarters. The selling of insurance is not a process that begins and ends the same day. It is the result of a cumulation of painstaking endeavor, weeks very often passing between the first interview and the closing of the contract. Viewed in this way, the days spent on the loan campaign represent a cessation in this process of education and a postponement of the ultimate deal for a considerable period.

Condition Not Serious.

Insurance managers do not view this situation with any great alarm. They appreciate fully that the closing of record business is not as desirable as it looks, particularly with a mounting death rate which is eating into cash resources. A little compulsory shading off of new business is therefore welcomed and agents are let down gracefully when they fail to achieve records.

While insurance agents, who were employed in selling bonds, were under instructions not to canvass for insurance at the same time, there is no doubt that they were able to derive advantage from the experience. They got in touch with many new prospects whom they can follow up later on. Some also adopted the plan of tipping off other agents in the same company, who were not working on the loan, and the latter followed up the prospect.

MUST LIQUIDATE.

Enemy Insurance Companies in U. S. To Go Out of Business.

Enemy and ally of enemy insurance companies will all be granted "liquidating licenses" by the U. S. Treasury Department within a few days, following out the order of Secretary McAdoo.

Those companies dealing in casualty, marine and fire insurance, which have been notified that they must liquidate, will each be granted one of the licenses. The terms of the license will state the time and conditions under which the liquidation of the business will be carried out.

Inasmuch as each license will deal with the conditions as presented by each company concerned the Treasury is not yet decided whether or not the conditions surrounding each will be made public. This, however, is a matter to be determined later.

All enemy and ally of enemy insurance companies have been granted temporary licenses by the Treasury. These were granted some time ago. Under the decision now issued, none of these companies may write or take on new business. All fire, casualty and marine companies will be required to liquidate. The life companies will be permitted to continue only their existing contracts.

It was stated that practically all the companies concerned are interested only in reinsurance and that the ruling issued by the Treasury Department relates to reinsurance only, although it is applicable to direct business in which several of the enemy and ally of enemy companies are engaged as well.

Terms of the Decision.

The terms of the Secretary's decision are as follows:

"By virtue of the authority vested in me by the president under the trading with the enemy act, to grant or withhold licenses to enemy or ally of enemy insurance companies, a hearing was called of the various parties interested, including the State superintendents of insurance. The hearing was largely attended and after full discussion briefs were filed.

"Upon careful weighing of the evidence submitted I have reached the conclusion that the safety of the United States requires that enemy and ally of enemy marine, fire, and casualty insurance companies shall not be allowed to do business as going concerns. The consideration of safety is so important as to render it unnecessary to determine at this time whether this action is also demanded by other considerations incident to the successful prosecution of the war.

Best Interests Served.

"In these circumstances I am convinced that the best interests of the country will be served by the liquidation of these companies under the direction of their American management and subject to such regulations as the Secretary of the Treasury may from time to time prescribe.

"As the liquidation of the life insurance companies involved may work an injustice to policyholders and as the information accessible to such companies can not benefit the enemy because of the character of the business and its inconsiderable proportions, these companies for the present will be allowed to continue existing contracts."

THE SALESMAN.

Requisites of a Good Canvasser Are Pointed Out By Business Man.

A practicel talk to the life underwriters of Montreal was delivered this week by Zephirin Hebert, president of the Board of Trade of that city. It was rather from his long experience as head of one of the largest wholesale grocery firms in Canada that Mr. Hebert spoke to the life insurance men, treating of the canvasser as philosopher, psychologist and artist.

"The insurance man to be a success must have a particular bent for the work he is undertaking," Mr. Hebert said. "He must have a thorough knowledge of his business. He must be of a cheerful disposition, and be able to talk fluently about his subject. Moreover, he must make a friend of each of his clients; then he will be recognized not only as a man who has goods to sell, but as a friend; then the buyer will endeavor to help him out. This relation will bring advantages to both. I do not believe in the system that works only one way. A man should be broadminded enough to protect the interests of the other man as much as his own. If he doesn't he will never buy from him again.

"The insurance man must be a philosopher. Selling insurance is not like selling an everyday commodity like sugar. It requires any amount of work before it is bought. If a man allows himself to become disgruntled or downhearted, he is a goner.

"He must be a psychologist, as we have to be ourselves. You must develop a keen insight, as we have to do in the case of credits. We don't see the customer, but there is something about him that we feel is a bad feature. So I may receive a bad impression, and refuse him credit. I never go back on an impression. If you have received a bad impression of a prospect, never go back; you may make a mistake and run amuck. The psychologist will know how and when to approach a client. Find out something about his character; his mentality. Find out his weak points as well. If you come to see him and he says he is very busy, do not insist; if he shows himself out of temper on the phone, he will not be disposed to deal with such a dry thing as insurance."

Sarnia city council has received several letters protesting against locating the civic incinerator on the Confederation Street site, claiming that the values of property in the neighborhood would be depreciated and, owing to the proximity to the oil refinery, in case of a big fire there would be danger.

LIMITATION OF SOLDIERS' INSURANCE

City of Toronto Will Pay Only to Parents, Widows and Children.

DRAFTEES NOT INCLUDED

Interesting Figures Compiled by Finance Commissioner Bradshaw Covering the City's Liability Are Presented.

At a special meeting of the Toronto city council on Wednesday afternoon, the following policy was adopted with respect to the payment of soldiers' insurance:—

"Insurance shall be paid only:

"(1) To parents and persons acting as parents, in loco parentis, who resided in Toronto at the date of the enlistment of the soldier.

"(2) To widows and children no matter where resident."

The recommendation of the Board of Control was that payment should be made to "dependent" beneficiaries, but on account of the difficulty of defining dependent, the above amendment by Controllers Cameron and O'Neill was adopted.

Council concurred in the recommendation that insurance should not be paid to those enlisting or called into service subsequent to the adoption of the Military Service Act.

The City's Liability.

The following information covering the city's present and prospective liability was laid before the council by Finance Commissioner Bradshaw:—

(1) The total number of Toronto soldiers covered by company and civic insurance is 44,217. The number of deaths which have been reported in respect to soldiers who enlisted from the city of Toronto, is 2,836. In 960 of these cases the city had effected insurance in different insurance offices. In the remaining 1,876 cases the city carried the insurance itself.

(2) The liability to the city in respect to the deaths which have taken place amounts to $2,798,000, made up as follows:—

Civic insurance	$1,876,000
Premiums paid to companies for insurance	922,000
	$2,798,000

You will thus see that the amount of premiums paid to companies is practically the same as the amount of the insurance received from the companies.

(3) The deaths which are now being reported number about 235 per month, involving a monthly liability of $235,000. Already for the first five days of December we have been advised of no less than 47 deaths.

(4) At the present time 300 claims are being held in abeyance by the insurance committee awaiting the decision of council as to what shall be done with them, in view of the question now raised. These claims aggregate in amount $300,000, and have accumulated since the 10th of August last. They represent about 35% of all the deaths which have taken place since that date. Previous to the 10th of August all claims were paid, no matter what degree of relationship the claimant bore to the deceased soldier.

(5) In reviewing all the 2,836 claims which have, thus far, taken place, it will be found that about 1/3, or say 1,000 in number—representing $1,000,000—would not have been recognized if they had been considered along the lines laid down in the proposal now being considered by council.

(6) At the present time the city is paying 1,697 death claims in monthly instalments. An analysis has been made of the places to which remittances are being sent by the city from month to month, and it is found that in no less than 563 cases, or practically 1/3 of the whole, they are being forwarded to relatives, etc., outside of the city of Toronto.

A LARGE ESTATE.

Late W. R. Brock Left Nearly Two and a Half Millions.

The gross value of the estate left by the late W. R. Brock, of Toronto, is $2,464,185, with liabilities of $307,878. The more important items of the assets are as follows: — Warehouse, Bay and Wellington streets, Toronto, $350,000; warehouse, King and Duncan Sts., Toronto, $125,000; warehouses, Montreal, $250,000 Calgary, $150,000; leasehold interest in No. 21 Queen's Park, Toronto, $15,000; 6,315 shares of the W. R. Brock Company, Limited, $631,500; deposit account with the W. R. Brock Company, Limited, $552,133.41; 324 shares Dominion Bank, $65,448; 340 shares Canadian General Electric Company, $34,510; 72 shares Toronto General Trusts Corporation, $14,688; 50 shares Gurney Foundry Company, Limited, $3,750; 607 shares (common) Western Assurance Company, $3,642; 5,000 shares (preferred) Western Assurance Company, $100,000; 499 shares Stanstead Granite Quarries Company, Limited, $40,900; 100 shares Great West Life Assurance Company, $22,500; Canada War Loan, $53,075; rent (accruing) of warehouses, etc., $10,505.50; life insurance, $8,196.25; household goods and furniture, $5,000.

The widow and three sons of the testator are appointed executors and they are requested to associate with them the Toronto General Trusts Corporation and R. S. Cassels, K.C., in an advisory capacity. After providing for the upkeep of a home for the widow and daughters of the testator, and allowances to them, Mr. Brock directs that the residue of the estate shall be divided, at the expiration of three years from the testator's death, in equal shares between the sons and daughters of the testator.

CANADIAN ORDER OF CHOSEN FRIENDS
HEAD OFFICE HAMILTON, CANADA

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

Dr. J. W. Edwards, M.P., Grand Councillor.
W. F. Montague, Grand Recorder.
W. F. Campbell, Grand Organizer.
J. H. Bell, M.D., Grand Medical Ex.
HAMILTON - ONTARIO

Western Assurance Company
(Fire, Explosion, Ocean Marine and Inland Marine Insurance)
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.

Assets over	$ 5,000,000.00
Losses paid since organization over	$66,000,000.00

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Assets, Over	$ 2,700,000.00
Losses Paid Since Organization, Over	$40,000,000.00

Actual Results the Main Test

Don't let shadowy estimates influence your action when placing your insurance. Rather study the Actual Results of

The Dominion Life Assurance Company

They are convincing proof of merit.

Head Office, - Waterloo, Ont.

How Many Men
prepare for a time of need?

Sickness or disabling accidents might come to some of us—but death certainly comes to all of us sooner or later. Common sense should teach us to prepare during the days when our earning powers are greatest for the future protection of our loved ones.

Think of your wife and children. Deprived of your protection and support, they will be left alone in the world to shift for themselves, and you know what that means. A Life Insurance Policy is the safest way of providing for future protection.

The Great-West Life issues Policies to suit all classes. Information will be gladly given on request. Write, stating age, to

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General Manager Western Canada
TORONTO

CHANGING LAND TITLES ACT IN SASKATCHEWAN

Attorney - General Turgeon Introduces New Measure in Legislature.

LAW AFFECTING MORTGAGES

Changes Made in 1909 Not Regarded as Satisfactory and Provisions in Force Before Then Are Restored.

A bill affecting land transfers, entitled "An act respecting land and the title thereto," has been introduced into the Saskatchewan Legislature at the present session and last week was given its second reading. The bill is in charge of Hon. W. F. A. Turgeon, attorney-general, who pointed out, in asking for the second reading, that very important changes are being made to existing law, involving the whole system of land titles.

Implied Covenants.

The first point to which Mr. Turgeon drew the attention of the house was in the matter of implied covenants. In this matter Mr. Turgeon pointed out that a change would be necessary in the act before the members. "Under our present law," said Mr. Turgeon, "when mortgaged land is purchased the purchaser becomes responsible for the amount of the mortgage. Not only does he take the land but by taking it he becomes personally responsible to the mortgagor for the amount.

"That was not always our law. It was not prior to 1909. Prior to that time the law simply was that when mortgaged land was transferred there existed an implied covenant between the mortgagor and the purchaser that the purchaser would see to it that the mortgage was paid and would notify the mortgagor if he was called on to pay it himself. It was a covenant merely implied.

The Law Restored.

"In 1909 we changed it. Since then we have found that the change was unsatisfactory. We have decided to remove from the bill all reference to any implied covenant. We will restore the law to the position it was in from 1894, when the first Land Titles Act was passed, down to 1909. The changes of 1909 were unsatisfactory and that is why we are reverting to the original position. In future there will be a covenant between the mortgagor and the purchaser that the purchaser will pay the mortgage. The covenant will only be between these two and if there is to be any covenant between a third party the parties can arrange for that aside from the act.

Landlord and Tenant.

"There is another important point. It is a very common thing for a mortgage to create between the parties the relationship of a landlord and tenant. Everyone assumed it was a very proper relationship to establish and that the courts would endorse it. But recently it has been shown that while that relationship does exist it does not exist as against a third party. If the parties themselves make this plan covering this land and agree to it as between themselves there is no reason why it should not be there right in the mortgage itself.

"Where under a mortgage in the future there is a clause creating the relationship of landlord and tenant, from mortgagor and mortgagee, that clause will be valid and binding between the parties themselves and all others who might subsequently acquire an interest in the land.

Land Executions.

"As we all know, lands in this province are subject to execution. There are certain exemptions and they are set out in the Exemption Act. They cover the homestead of the judgment debtor—among other things—and the word homestead itself does not mean what it does in the Dominion Lands Act. It means the home of the debtor and it is exempt from seizure under execution.

Law to Stand.

"Under our law up to about 1905 we assumed that this exemption only lasted so long as the land remained the home of the judgment debtor. If he sold the home the execution attached the home and the purchaser. In 1905 there was a certain case decided. It decided the principle that the law was wrong and the home was exempt not only in the hands of the debtor but afterwards. Other decisions have come and made the point stronger. That was not a desirable state of the law and in the session of 1912 and 1913 the law was changed and we introduced into our law an amendment by which we endeavored to make the law this way: that the exemption should be in such a manner that home cannot be sold for debt so long as it remained his home.

"Since that time, 1912-18, certain doubts have arisen as to the law. We intend to leave the law as it is and not change it as is suggested in the act before you, the change therein outlined having been put in in error."

Second reading was then given to the bill.

CLERGYMAN'S ESTATE.

Former Head of Methodist Church Was Investor in Bonds.

The late Rev. Dr. Carman, former general superintendent of the Methodist Church in Canada, left an estate valued at $48,489. Of this $12,000 was invested in war bonds and $14,268 was in cash. The house and household goods are bequeathed to his wife and her daughter, Sarah, and his library and papers to his sons, Albert and Francis. The residue of the estate is to be divided into twenty equal shares, nine of which were left to Mrs. Mary Carman, widow, seven to Sarah Carman, three to Francis Carman, and one to Albert Carman. The residue of the estate, if any, is to go to the Superannuation Fund of the Methodist Church. The balance of a subscription to the Endowment and Extension Fund of Albert College is provided for.

RECORD LAND SALE.

Quarter-Section in Manitoba Brings Seven Thousand Dollars.

As illustrating the value of farm lands in Manitoba, a recent sale in the neighborhood of Glenboro is instructive. A quarter-section was sold by R. M. West to Goodie Einarson for $7,000. Mr. West purchased this land three years ago for $4,000. He has since re-modelled the house and built a barn. At $7,000, this farm sale establishes a record for a quarter-section in South Central Manitoba. Mr. West had the land in a very high state of cultivation, as he held the record for the highest yield of wheat in the district in the last harvest.

The Ontario Legislature will be asked, if approval is given by the Toronto city council to a recommendation of its assessment committee, to amend the assessment act so as to permit municipalities to levy two rates, one on land and one on improvements.

What Will Happen to Business if we "QUIT"

BUSINESS MEN! Stop and think! If we quit the war,—and that is where Laurier and Bourassa lead,—we simply invite ruin financially. The civilized world would stamp us with a much worse brand than Russia!

Foreign credit would suffer and internationally we would become a cipher—a nation without honor. And, make no mistake, A Referendum means quitting!

Support Union Government

To-day we are dependent on the United States for such essential supplies as cotton, hard coal, tin plate, the largest proportion of our iron, steel, brass, copper, and other commodities. The United States admires Canada's stand so far, and facilitates exports to this country. Imagine how quickly she would reverse her attitude if Canada failed to continue her effort in the war.

To Quit Would Set the Country Back Fifty Years.

Be guided by the fact that the United States is now refusing to send supplies to Russia. Why? Would Great Britain send us any more war orders? Remember the part munition-making has played in Canada's commercial prosperity since the war began. Think of the Victory Loan and how a large part of the proceeds were destined to finance British war orders.

Does any sane business man believe that if Canada refused to do her duty and send the necessary reinforcements to support our men in France, that Great Britain and our Allies would be disposed to continue to place orders for munitions in Canada? Aside from the national honor, and the call of our men for reinforcements, which are the main reasons why Union Government must be returned, the commercial future of the Dominion demands Canada's continued participation in the war.

Unionist Publicity Committee

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County of Carleton

TENDERS FOR DEBENTURES

SEALED tenders addressed to the undersigned will be received up to Saturday, December 13th, 1917, at noon for the purchase of $60,000.00 Debentures to be issued dated the 20th day of September, A.D., 1917, each Debenture to be for $3,739.22, which includes interest at the rate of five and one-half per cent. per annum or for less amount than $3,739.22 at the option of the purchaser, but not to exceed $3,739.22 for principal and interest each year and shall have attached to them coupons for the payment of said interest, accrued interest if any to be returned. The above Debentures are for forty years.

CHAS. MACNAB,
County Clerk.

Ottawa, December 4th, 1917.

The output of the collieries in the Crow's Nest Pass coal district of British Columbia, which are now operated under government control, is the greatest in the history of the province, the production amounting to 23,000 tons of coal per day.

DETROIT UNITED GETS $1,250,000 FROM 5c. FARE

New Schedule Announced This Week Figures Out This for a Year.

COUNCIL STRIKING BACK

Proposing a Daily Fine of $10,000 As There is no Franchise—Need for Increased Fares to be Investigated.

The decision of the directors of Detroit United Railway to increase the fares inside the city from seven-for-a-quarter to a straight five cents,—in effect on the system this week,—will be welcomed by the shareholders, for it will effectively remove all need for anxiety over the rising costs of operation. For several months past, Detroit United, in common with other radials and steam roads, has seen its increased gross earnings more than neutralized by heavier increases in the costs of operation, so that the net earnings have been falling as compared with last year's results.

That the advance will mean a substantial growth in gross revenue is seen by an official statement to THE FINANCIAL POST that on a basis of present business the increase will mean an extra revenue of $1,250,000 in the twelve months. This will be ample to take care of the net increase in the costs of operation and place the road in at least as favorable a position as it occupied one year ago in the relation of revenue to operating costs, and enable it to show largely increased net earnings, inasmuch as the business is of a greater volume.

It is unlikely, THE FINANCIAL POST was informed, that there will be any increase in fares on those lines outside of the city, a very considerable part of the company's system, as these are regarded as quite fair as they stand at present.

In presenting its case to the public the Detroit United Railway has shown that apart altogether from labor it has had to pay far more for nearly every item in connection with its operation. In a single article, copper, the value set down three years ago when a valuation was made by the Street Railway Commission was 12 cents a lb.; this now costs 42 cents. Fuel has doubled. Labor itself averages 40 per cent. more.

There would appear to be one element of some uncertainty: the attitude of the city council. By a recent vote the number of members was cut down from 42 to 9, and there is reported to be a great rush of many of these to curry favor with the electors by proposing all sorts of drastic "comebacks" in an effort to force the company to restore the lower fares. One of these is that so long as these are in effect that the company be charged $10.000 a day for those streets on which it has been running without franchise. This was approved by the council, and the city's legal department was asked for an opinion as to the right of the company to operate interurban and freight cars over the city streets. An appropriation also was made to cover the costs of an investigation into the need of increased fares. This last measure should result favorably to the company's contention, as there will be abundance of evidence to submit.

WHEAT FOR U.S.

Canada's Exports Are Showing Great Increases.

WASHINGTON.—Since April of this year wheat and wheat flour have been imported in greatly increased quantities from Canada. This is attributed principally to the fact that on April 16 Canada removed the duty on wheat imported into that country. The Dominion's action automatically admitted Canadian wheat free of duty into the United States under the provisions of the tariff law of 1913.

According to new statistics compiled by the Bureau of Foreign and Domestic Commerce, 840,981 bushels of wheat were imported from Canada in September, 1917, compared with 3,269,607 bushels for the whole nine months ended with September, 1916. For the nine months ended with September, 1917, we imported wheat from Canada to the extent of 21.490,269 bushels, more than 14,000,000 bushels of which came in free after April 16. The imports of wheat flour during these nine months totaled 403,270 barrels, of which 297,695 barrels came in free of duty. For the corresponding nine months in 1916 the total imports were 157,289 barrels, and in 1915 only 90,499 barrels.

This Canadian wheat and flour is being received through every customs district on the northern border from the Atlantic to the Pacific. Buffalo led in September with 285,119 bushels of wheat and 51,596 barrels of flour; followed by Duluth and Superior with 223,883 bushels of wheat and 15,761 barrels of flour; Michigan, with 188,881 bushels of wheat and 1,539 barrels of flour; Ohio, with 114,096 bushels of wheat; Minnesota, with 12,145 bushels of wheat; and New York, Rochester, Vermont, Dakota, Montana, and Washington, with varying amounts. There is also a noticeable movement of Canadian flour to the West Coast.

THE FOX FARMERS OF THE MARITIMES

Readjustment of Values Needed in the Affairs of the Tuplin Corporation.

Special to The Financial Post.

HALIFAX.—The condition of most of the eastern fox companies may be gathered from the report of the Tuplin Silver Black Fox Corporation of Halifax, which has just been sent out to shareholders. The report says: "At the date of our last statement our assets consisted of 36 foxes. In January we killed 5. Four of the pelts have been disposed of, netting us $1,329.30, but returns have not yet reached us from the fifth. Our net production for year was 9, giving 40 foxes in the ranch at this date, of which 14 are females and 26 are males. Your directors recommend that all foxes which have apparently passed the breeding stage be killed this fall, as it is useless to keep them when they are not producing, and it is also desirable to obtain as much cash as possible to meet outstanding obligations. It has not been possible to pay any arrears of bond interest, but with a productive season next year it is hoped that something may be done in this direction."

It is interesting to note that the security for the bonds of which $85,700 are outstanding is the foxes. The accrued bond interest is $7,713 and the accounts payable amount to $2,212. The value of the foxes from last year is down in the assets column for $385,670. The company's capital stock is $300,000.

SHOW CONFIDENCE IN FUTURE OF CANADA

A Two-Million Dollar Corporation Formed To Take Over Three Important Canadian Plants.

That capitalists in the United States have every confidence that Canada has a splendid future ahead of it is evidenced in the announcement that a new two-million dollar corporation has been formed to take over and operate the business and Canadian plants of the International Time Recording Co., Limited, the Dayton Computing Scale Co., Limited, and the Hollerith Tabulating Machine Co. of Montreal. The new company will be known as the International Business Machines Co., Limited, with Thos. J. Watson as president and Frank E. Mutton, vice-president and general manager. Its capital of $2.000.000 will be divided into $750,000 preferred stock and $1,250,000 common stock.

All business will in future be operated under one central management in Toronto, but the branch offices of each company will be continued under central direction in every important city in Canada. About 500 people will be employed and the combined field force will number 63. It is the company's intention, in addition to catering to domestic business, to develop an export trade, particularly to Australia, New Zealand, South Africa and South America. The sales managers will be L. A. Davidson for the scale division and St. George Bond for the tabulator division.

"From investigations we have made," said Mr. Mutton, "we are satisfied that business in Canada will continue good. We have every confidence in the future as is evidenced by plans for extensive operations from coast to coast."

BIG MUNITION ORDERS.

Placed By U.S. Ordnance Bureau With American Companies.

The U.S. Ordnance Bureau has distributed orders for about 500 000 200-millimetre and 750,000 155-millimetre shells. Contracts for forgings for 900,000 240-millimetre projectiles have also been awarded and contracts for the machining of these will probably be concluded within a few days

Further contracts for guns forgings have also been let. The order for 750,000 155-millimetre went to the American Brake Shoe & Foundry Co., which is also expected to secure a contract for about half of the 240-millimetre shells to be placed. The American Car & Foundry Co. will also get contracts for 240-millimetre shells.

The 500,000 200-millimetre shells have been awarded to the Westinghouse Electric & Manufacturing Co. and the McMyler-Interstate Co. of Cleveland.

The orders for the forgings for the 155. 200, and 240-millimetre shells were divided among the following companies: Bethlehem Steel, Midvale Steel, Pollak Steel, American Steel Foundries, Taylor-Wharton Steel & Iron, Curtiss & Co., Whitaker-Glesner Co., Carnegie Steel, Pennsylvania Steel, American Rolling Mills and Cape Ann Anchor Works.

DOMINION TRUST ASSETS DWINDLE IN LIQUIDATION

Estate Has Been Involved in Hundred and Two Suits.

TWO YEARS MORE NEEDED

Liquidator Stewart Says That His Full Time Is Not Required But Objection Raised That He Is Shirking Responsibility.

Special to The Financial Post.

VANCOUVER.—During an application to the supreme court in Vancouver for the fixing of a definite stipend for the liquidator of the Dominion Trust Co. for the remainder of the liquidation many interesting statements were made including one in which it was said that the estate had been involved in 102 lawsuits, that the capital of the company had been dissolved and that the assets had dwindled to a comparatively small figure.

In making his application, Liquidator Stewart stated that the estate did not require his full time and that he would like to be paid a stated salary for three hours per day which would be necessary for him to supervise the work of the staff of seven which is employed. From the time of his appointment in November, 1914, until the present, Mr. Stewart has been in receipt of a salary of $500 per month. Strenuous objection was taken to Stewart's withdrawal from the liquidation, counsel arguing that he was trying to shirk responsibility.

During the taking of the evidence, it was stated that the liquidation would still require two years to complete the settlement, the extra delay being occasioned by an action which is yet to be brought against the Royal Bank which, at the time of the liquidation held securities valued at a large amount against a loan, and which the bank, upon request, would not turn over. Answering a complaint as to the slowness in settling the affair, counsel for Stewart stated that there were six or seven reasons, among which were the appeal of Mrs. Arnold's insurance case, company insurance cases which were still pending, the ranking of the depositors, the relations of the company with the B.C. Securities, which had not been decided, and the action against the bank as above noted.

The examination developed the information that only one inspector was on duty instead of three as formerly. One of the former inspectors, A. E. Plumber, when put on the witness box, stated that he had not been satisfied with the course of the liquidation for some time and he charged that a statement made by the inspectors had been used in court to bolster up past expense accounts when it only referred to future accounts. Two inspectors are to be appointed to investigate the progress of the liquidation and before giving his decision on the question of salary Mr. Justice Murphy, who heard the application, will confer with the other judges of the Supreme Court.

THE WORLD'S CROP.

International Institute Issues Estimates of Total Yields.

The International Institute of Agriculture at Rome issues estimates of the total yield of crops in a number of countries. For Spain, France, Scotland, Ireland, Italy, Netherlands. Sweden, Switzerland, Canada, United States, British India, Japan, and Algeria the aggregate wheat crop is put at 482,958,000 quintals, representing 99 per cent. of the 1916 yield, and 85.2 per cent. of the average for 1911-15. The total yield of rye for Spain, France, Ireland, Italy, Netherlands, Sweden, Switzerland, Canada. and the United States is 37,168,000 quintals, which is 94.8 per cent. of the 1916 crop and 92.5 per cent. of the average crop for 1911-15. The barley yield for the same countries as named in the case of wheat (except British India) is 112,596,000 quintals, or 99.7 per cent. of the 1916 crop and 95.4 per cent. of the 1911-15 average. Oats for the same countries as named in the case of wheat (excepting British India and Japan) is 371,325,000 quintals, or 116.3 per cent., of the 1916 crop and 114 per cent. of the 1911-15 average. Maize is even more satisfactory, the crop being 846,211,000 quintals, which is 123.7 per cent. of the 1916 crop, and 115.4 per cent. of the average of 1911-15. The yield of potatoes in the United States is 60 per cent. over that of 1916, while the yield of the vine in Italy is given as 22 per cent. more than in 1916.

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THE THRIFT HABIT is the root of business success. Get a start by saving your money. A Bank of Toronto savings account will help you. Add economy and persistence and your success is assured. Savings accounts for small or large sums invited at all branches of this bank.

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RESERVE FUND - - - 3,600,000
DEPOSITS, &c. (Oct., 1917) 159,041,262
ADVANCES, &c. do. 62,433,784
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When there is no Will
the law takes command, and regardless of your desires or the needs of your heirs, settles how your property shall be divided. One inflexible rule applies in every such case.
Whether you have little or much, make a will—and make it NOW.
Our booklet, "I Give, Devise and Bequeath," may be obtained at our office or will be mailed on request.
THE UNION TRUST CO., Limited
TORONTO
HENRY F. GOODERHAM, President J. M. McWHINNEY, General Manager

LABOR INVESTIGATION.

Shows More Employees in Seven and Fewer in Six Industries.

While the war is increasing enormously the number of employees in some industries, in others decided decrease already are beginning to be shown. Figures made public this week on an investigation of seven industries by the Department of Labor at Washington in September disclose more employees in seven and fewer in six.

Car building and repairing lost 14.8 per cent. boots and shoes 8 per cent. and cotton manufacturing, cotton finishing, silk making and cigar manufacturing showed smaller decreases.

The largest increase was 10.6 per cent. in the manufacture of men's ready-made clothing, due to the uniforming of the new armies.

Increases also were found in the making of hosiery and underwear, woolen, iron and steel, automobiles leather and paper.

Each of the industries paid out more in wages in September of this year than in September, 1916, the greatest increase being 28.6 per cent. in iron and steel mills.

Hamilton's Industrial Department announces that the Robert H. Hassler Ltd., manufacturers of the famous Hassler shock absorbers for Ford cars, has decided to locate their Canadian factory in Hamilton. The American factory, which is located in Indianapolis, Ind., is reported to be swamped with orders from Canada.

Tenders Wanted

SEALED Tenders addressed to the undersigned and marked on outside of envelope "Tender for Debenture" will be received up till noon on the 14th day of December, 1917, for the purchase of the following debentures of the City of Windsor, Ontario:

$46,024.95, five per cent., local improvement, twenty years, annual instalment, semi-annual interest coupons;

$80,439.18, five per cent., local improvement, ten years, annual instalment, semi-annual interest coupons;

$97,193.81, five per cent., local improvement, ten years, annual instalment, semi-annual interest coupons;

$32,178.00, School, five and one-half per cent., thirty years, annual instalments, semi-annual interest coupons.

Tenders must be for each block separately.

Debentures and coupons payable at Windsor, delivery of debentures to be made purchaser at Windsor.

Debentures may as far as practicable be made of the denomination of one thousand dollars each.

No tender necessarily accepted.

Further particulars on application to

M. A. DICKINSON,
Acting Clerk.

Windsor, Ont., Dec. 4, 1917.